

THE NATION'S BUSINESS

October



1924

What Your Dollar Does Abroad

By CHARLES H. SABIN, Chairman of the Board, Guaranty Trust Company

The Fading Specter of City Ownership

By FLOYD W. PARSONS

To Cut the Waste of Unemployment

By HENRY S. DENNISON, President, Dennison Manufacturing Company

Helping the Retailer to Help Himself

By J. R. SPRAGUE

Salving the Northwest Farmer Banks

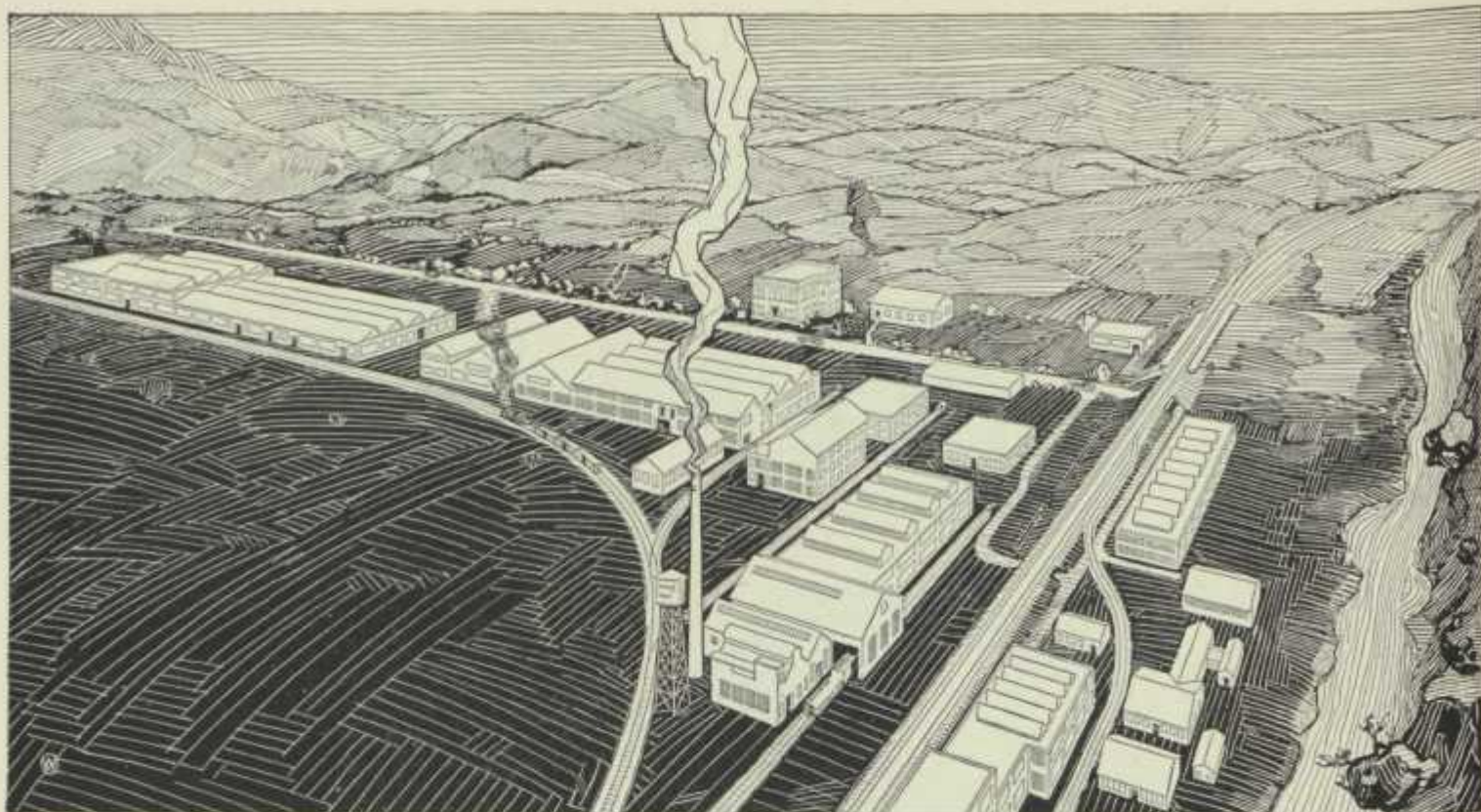
By WILLIAM HARPER DEAN, Chief, Agricultural Bureau, Chamber of Commerce of the United States

Map of the Nation's Business, page 34

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Published by the Chamber of Commerce of the United States



Complete Plant of The American Cellulose & Chemical Manufacturing Company, on the banks of the Potomac, at Amcelle, Cumberland, Maryland. The initial project comprises more than fifteen buildings. Layout, Design and Construction were handled complete by the Austin Organization under Unit Responsibility. As a result, two main buildings were substantially completed within thirty days after the contract was signed.

Your New Plant in the South— Let Austin Build It

MANUFACTURERS who have been handicapped in selling to Southern markets are taking advantage of new profit-opportunities by establishing branch plants or warehouses in the South. Branch manufacturing plants at strategic locations enable the manufacturer to take advantage of the natural resources of the South: iron ore, coal, water-power, sulphur, oil, clays, etc.

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Austin's Nation-Wide Organization has enabled hundreds of firms to establish contacts in new fields. Austin Branches at Birmingham, Dallas and St. Louis help make these contacts in the South.



Wherever your headquarters—New York, Pittsburgh, Chicago or Seattle—there is an Austin Branch that will serve as a clearing house for information on your project, and no matter where you may be building, another Austin Branch to serve you at your new point of contact.

Austin Unit Responsibility means that Austin will, under one contract, handle the whole job—will Finance, Design, Build and Equip; guaranteeing the total cost, delivery date of the plant complete, and the quality of material and workmanship throughout the whole project.

For your Board Meeting, ask Austin for costs, building data and information, for any type or size of building project—5,000 or 500,000 square feet—anywhere.

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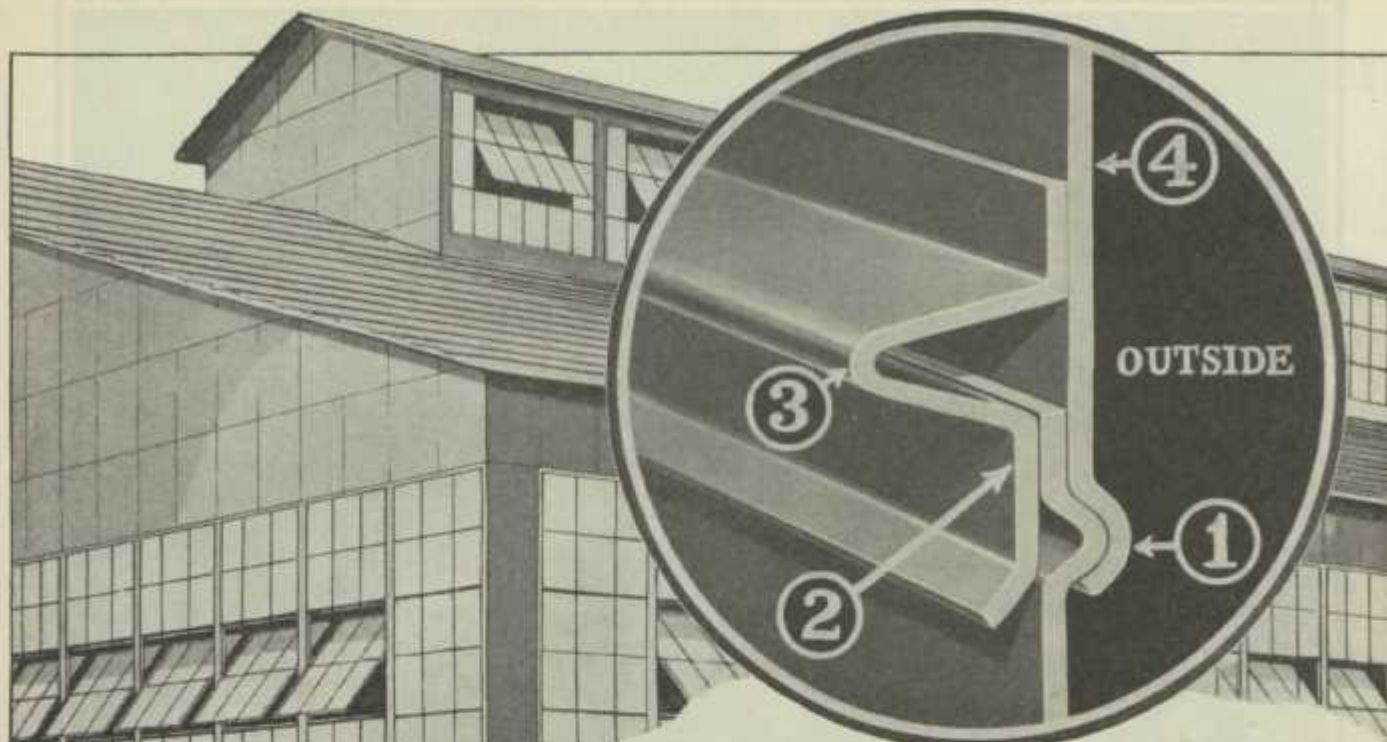
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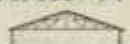
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11844, 11850, 11856, 11862,



Annual Convention picture, 1924, showing less than one-third of the Davey organization, but typical of the whole

JOHN DAVEY
Father of Tree Surgery

Reg. U.S. Pat.
Office

\$1,250,000.00 business in saving trees during 1924 by The Davey Tree Expert Co.

An increase of 25% over 1923

In 1906 the business of The Davey Tree Expert Company was approximately \$10,000.00, with John Davey in personal charge training his men in his wonderful new science. By the close of 1924 the business will reach a total of \$1,250,000.00 for this year.

In 1906 John Davey had only a dozen

men—today the Davey organization numbers more than 300 and is national in scope.

During 1924 The Davey Tree Expert Company will have treated in this one year more than 98,788 trees—for more than 6,000 clients between Boston and Kansas City and in California.

Of these clients 75% will have paid the Davey Company less than \$200 each. The smallest amount paid by any one client was 90c—the largest was \$15,528.62.

These clients include owners of private homes and country estates; schools, colleges and universities; city parks, golf and country clubs; churches, hospitals and philanthropic homes; cemeteries; federal, state and county institutions; manufacturing and insurance companies, and other corporations.

This business was founded on the genius, love and courage of John Davey, who gave to the world the wonderful Science of Tree Surgery. It was organized, built

up and managed by his son, Martin L. Davey, with the cooperation of a group of unusual men. The Davey organization today is made up of men of such high personal qualities, ability and integrity that any man would be proud to be associated with them in doing this worth-while work.

Openings for young men

The Davey Company trains and employs a few acceptable young men every year for the profession of Tree Surgery. It is outdoor work, healthful and fascinating. Unusual opportunities for advancement. If you are single, of age 20 to 30, free to travel, healthy, industrious, with high school education and good references, you may qualify. Write today for qualification blank.

Openings for proven salesmen

Applicants must have a record of not less than three years of successful selling experience in high-class lines; must be men of good education and refinement and able to meet cultured people; must be men of real character. Ages 25 to 35 preferred. It requires hard work and offers ample reward. Training will be furnished. Write Sales Manager for application blank.

THE DAVEY TREE EXPERT CO., Inc., 315 City Bank Bldg., Kent, Ohio

Branch offices with telephone connections: New York, Astor Trust Bldg., Fifth Ave. and 42nd St.; Albany, Volckert Bldg.; Boston, Massachusetts Trust Bldg.; Philadelphia, Land Title Bldg.; Baltimore, American Bldg.; Pittsburgh, 331 Fourth Ave.; Buffalo, 110 Franklin St.; Cleveland, Hippodrome Bldg.; Detroit, General Motors Bldg.; Cincinnati, Mercantile Liberty Bldg.; Louisville, Todd Bldg.; Indianapolis, Lombard Bldg.; Chicago, Westminster Bldg.; St. Louis, Arcade Bldg.; Kansas City, Scoville Bldg.; San Francisco, Hubert Bldg.; Montreal, 252 Leguachetiere, West.

DAVEY TREE SURGEONS

Every real Davey Tree Surgeon is in the employ of The Davey Tree Expert Co., Inc., and the public is cautioned against those salaried representatives. An agreement made with the Davey Company and not with an individual is certain evidence of genuineness. Protect yourself from imposture. If anyone solicits the care of your trees who is not directly in our employ, and claims to be a Davey man, write headquarters for his record. Save yourself from loss and your trees from harm.

When writing to THE DAVEY TREE EXPERT COMPANY, INC., please mention the Nation's Business

How Often This Happens!

*He Doesn't
Answer!
Nobody Knows
Where He Is*



You must consult—at once—with some other member of the organization! But his desk is vacant—his phone goes unanswered. You grow impatient. Valuable time is being lost. Something must be done without delay—but *what?*

The operator is doing her best. The whole organization is disturbed. Her nerves are on edge. She would be glad to help you, but she has called everywhere and there is nothing more she can do!

Without some better method than you now have of reaching important people instantly—no matter where their duties have taken them—you are bound to be subject to annoyances, inefficiency and loss.

What Autocall Does

Autocall remedies this condition. With Autocall Paging Service, the phone girl merely turns a key to send the code call of the person wanted sounding throughout the office, plant or store.

On the nearest phone he gets into quick communication. The matter is handled promptly without disturbing anyone else.

Autocall makes various members available at all times. Each of them will have his own number—10 to 60 codes are handled on one Autocall.

You Need Autocall

Besides locating your executives—

for conferences—for customers—for long distance calls—Autocall will give other signals. Many firms use it for dismissal, fire drill, lights on or off, doctor wanted, and the like.

The signals may be low-toned enough for a bank or hospital—or loud enough to be heard above the din of a boiler shop.

Try Autocall— 30 Days Free

You'll never know how much time and money Autocall can save until you try it yourself. The coupon will bring our 30-Day Free Trial Offer!

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WE SOLVE a mystery. Last March we were deluged with complaints (and rightly) from certain Chicago subscribers that they had not received their current NATION'S BUSINESS. We sent other copies until our reserve was exhausted, together with expressions of profuse apology. We then tried to learn what happened. We checked through the printer, the stencil room, the mailing department, the post office. Our records showed the copies had been properly started from here. The whole affair was spooky.

Then came—in September—from the Chicago postoffice a copy of a letter written to it by the United States Railroad Labor Board, as follows:

Some time ago, probably about the first of March, 1924, this office received several sacks of mail matter which we believed to be books from the Government Printing Office at Washington, D. C. These mail sacks were emptied and the packages stored away for future distribution.

We have recently been making a rearrangement of the packages in our storage room, and upon examining some of them for the purpose of labeling, we find that about thirty-six (36) packages contain copies of the March issue of a publication entitled "The Nation's Business," published by the Chamber of Commerce of the United States. Believing that you will desire to make distribution of this mail, we are calling the matter to your attention and respectfully request that you pick up the packages at your earliest convenience.

We regret exceedingly that the error was not noted at the time of delivery and unsacking, but it was due to the fact that the packages resembled those which we were receiving from the Public Printer and were therefore not opened for examination until today.

The Chicago post office expressed regret over the mistake and asked us what we wished done with the 1,296 copies of the March number. We asked the post office to forward the magazines with an explanation of the delay, and to state that although we were in no wise to blame, we would be glad to extend each subscription one month.

The postmaster delivered the copies, with this letter of transmission:

The attached copy of "The Nation's Business" in some inexplicable way miscarried and was held at place of delivery in error until the present time, and at the request of the publisher is now being delivered.

Not much information in the letter, and such as there is rather vague, necessitating this explanation of the "inexplicable."

CHARLES H. SABIN, of the Guaranty Trust Company, opens this number with an article on investments in foreign securities, which has a message for every business reader. Mr. Sabin asks attention to such investments, not only because of the soundness and the return, but because of the duty of the United States to help the other nations of the world.

A like note is struck by **B. C. Cobb**, vice-president of Hadenpyl, Hardy & Co., who will write in our November number of the need

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Vol. 12

THE NATION'S BUSINESS

No. 11

Published Monthly by the Chamber of Commerce of the United States, Washington, D. C.

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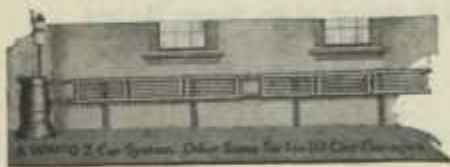
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of support by investors of our public utility companies. Mr. Cobb is a director of a dozen such companies, largely in the central west, and knows how great a part they play in the life of a community and how helpless they may become without community spirit and community money behind them.

And in December we hope to have some "public-minded" man to tell us something of the opportunities and duties the railroads offer.

FLOYD W. PARSONS and Charles A. Coffin, of the General Electric Company, are in agreement that the drift at the moment is away from city and state ownership of public utilities. Both are qualified to speak. Mr. Parsons has long been a contributor to the *Saturday Evening Post* and other publications on business subjects, and particularly on such questions as utilities, power and fuel. Mr. Coffin was formerly president and chairman of the board of the General Electric, and in a long life—he'll be 80 next month—has seen the whole electric industry grow from nothing.

But there are plenty of signs that the fight for city and federal ownership is far from dead. California has voted down a constitutional amendment which creates a water and power board with extraordinary powers, and providing bond issues of half a billion dollars to make its work possible, but the movement will bob up again. Up in Washington State there's the Bone Bill, giving any city or town the right to deal in electric current and to build new or take over existing plants for that purpose. And in Congress there's Senator Norris's bill, which would make Muscle Shoals a federal-built, federal owned and federal-operated plant. And that greater Norris Bill to put under one power commission all power upon which federal hands can be laid.

In a revue in New York last winter one actress sang:

"There's Life in the Old Girl Yet."

And that goes for the government ownership folks.

THERE are other worth-while articles and writers in this number. William Harper Dean's contribution is a case in point. He's a writer and agricultural expert, long with Mr. Curtis's *Country Gentleman*, and now head of the Agricultural Bureau of the National Chamber.

And Henry S. Dennison. Everyone knows Dennison's tags, but not everyone knows that their maker is a high authority on industrial relations and factory management.

Alfred Pearce Dennis we have told about before. He and J. R. Sprague are frequent contributors to the leading periodicals on business subjects. And that's only a part.

NOT as many rough letters this month as usual. But a corresponding increase of the other kind, letters that would hearten any editor, or any business man, for that matter, in his work. Take these three for example:

Mr. Louis V. Place, Jr., of the W. J. McCahan Sugar Refining and Molasses Company, Philadelphia, in ordering back copies for his files, adds:

All of your issues contain a wealth of valuable ideas and information presented in such a way as to make interesting reading. The article entitled "The Truth About Grain Gambling," in your last issue, especially should be given as wide a circulation as possible in order to spread a little common sense regarding dealing in "future" contracts.

We thanked Mr. George S. Mornin, presi-

At last—a practical solution of the motive-power problem of the U. S. Merchant Marine— An American engineering achievement

WHEN Uncle Sam entered The World War it was readily seen that the pivotal factor was ships. From France came the plea of "ships—ships—MORE SHIPS!" And Uncle Sam answered with the greatest ship-building program the world has ever known. Shipyards vied with one another in weekly production contests and record after record was smashed. The race of ships was on—American production against German destruction. And, as everybody knows, America won.

The situation is different today. The ships exist; their purpose does not. Now we would like to operate them as a U. S. Merchant Marine. Things built for special service, however, seldom work out as well in a different service and these ships are no exception.

TODAY our glorious "Bridge of Ships" is tied up, idle, wasting away. But it should not be overlooked that these ships were well worth their cost, even if they are never used again. And the U. S. Shipping Board in its present effort to operate them commercially, is making a fight just as plucky, though less spectacular, as the fight waged by their builders.

The remorseless pressure of economic facts—the higher wages, higher standards of living, higher operating costs all around, have made it impossible for ships under the American flag to compete on even terms with those of other nations. Yet this same obstacle has been overcome in other industries. American manufacturers in many lines, with the highest wage scale in the world, have competed successfully in the world's markets through the immense superiority of their machinery.

Seventy years ago American ships took the lead on every ocean, primarily because of the superior speed and efficiency of the ships themselves. We believe that this same superiority in shipping can be regained by the use of better machinery than that possessed by other nations.

After four years of intensive research and experimentation our engineering staff has developed the Worthington Double-acting Two-cycle Diesel Engine, which we now offer as a practical solution of the motive power problem confronting the establishment of the U. S. Merchant Marine.

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WE ARE announcing this engine, not merely to the technical audience of shipping and engineering experts, but to the great audience of the American people, to whom we believe it is news of first importance. It is, from first to last, an American engineering achievement, designed and built under American patents by an American organization and by American workmen.

You, as an American citizen and taxpayer, may wish to learn more of the plans of the Shipping Board, which this engine was primarily designed to further, and of the prospects for retrieving our colossal investment in shipping. If you will mail us the coupon attached, we shall be glad to send you, without charge, a booklet giving the entire story in compact form.

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dent of the Security Trust and Savings Bank, Cedar Falls, Iowa, for bringing *THE NATION'S BUSINESS* to the attention of a friend which resulted in another addition to our happy family of readers, and he replied:

We prize *THE NATION'S BUSINESS* very highly and would as soon think of dispensing with our ledger as we would this magazine. I want to assure you that any time we can place *THE NATION'S BUSINESS* with any of our commercial friends it is going to be done.

This extract from William Clabaugh, of the firm of that name, Washington, D. C., who says, in renewing his subscription:

I find *THE NATION'S BUSINESS* covers a line of information and reading which is not paralleled in any other periodical which has come to my attention.

OCCASIONALLY we slip and then we catch it. It seems that every reader saw our editorial Homer nodding the other month. Mr. Paul Turner, of 1472 Broadway, New York, did the trick, most concisely and pointedly, in sending in the poor item with no comment, but simply underscoring the two words I have italicized. Here is the offending paragraph:

"*THE NATION'S BUSINESS* places *Socialism* where it belongs—in the rubbish-pile," writes Mr. Harry A. Ritter, of Brewster, Ohio, and adds, "I never miss an opportunity to recommend it to my fellow business men."

I'VE just been reading that letter to Ed on page 56 which discusses the sins of golf and the ways of regulating and removing that cancer on the body of business. There's one point it seems to me that Joe overlooked. Think of the commission rulings and court decisions that would pile up once the reformers got under way.

There's plenty of golf law now, but oh! the chances to add to it. What is one-half-of-1-per-cent golf? Is parlor putting illegal? How about these little games of golf that are sold in toy stores? Can I buy my small son a miniature set of clubs and let him loose on the lawn?

What is near-golf? Will pocket billiards be lawful under the anti-golf amendment? It's knocking a ball into a hole with a wooden instrument, and that might be a definition of golf. If my memory serves me right, one golfer insisted on lying flat on a green and putting with a billiard cue. And some Supreme Court of Golf had to rule against him.

And some zealous officer would arrest horse-shoe pitchers because they talked of barn-yard golf—and crashshooters who were playing African golf; and our criminal courts would be busy eighteen hours a day.

It's full of possibilities.

OUR esteemed contemporary, the talented editor of the *Indianola (Iowa) Record*, suggests that the editor of *THE NATION'S BUSINESS* and Senator Brookhart be given "a job on the rock pile side by side." He writes concerning a speech made before International Rotary at Toronto:

The other speech I want to mention was that of Merle Thorpe, editor of *THE NATION'S BUSINESS*, the official organ of the United States Chamber of Commerce. Thorpe is a great editor. He has a rather unusual publication, gotten up in a most attractive manner. He made a strong speech. He is an able man and an unusually well-informed man. But he sounded more like Iowa's junior senator than any speaker I have heard recently. I would call him the Brookhart of business. Anyone dependent on his speech for information as to the state of business in the United States would have con-

cluded that a business man had a poor chance to make a living in this country, that he was checkmated and beaten back at every advance by the demagogues of Congress, just the same as Brookhart tells the farmers and the laboring men that they are the dupes of Wall Street. I suppose that each of them believe what he says. Each of these believes that he understands the problems of his own class and he thinks he has a good perspective of the other fellow's class.

What wonders could be accomplished if the different classes of society really did understand one another's problems and had an unselfish willingness to consider all sides. Truly, I believe that the most of people are willing to consider the other fellow, but a few boys in every social group start grabbing and then everybody pitches in for self-defense, everybody is dissatisfied and the Brookharts and the Thorpes fatten off the dissatisfaction. Most people are honest if they can feel that the other fellow is honest too. Most people would rather be honest. What a great thing it would be if the honest business men, the honest laboring men and the honest farmers could get together and then give Brookhart and Thorpe a job on the rock pile side by side. I believe they each would soon find out that the other was not such a bad fellow after all and would form a partnership to turn their really useful ability to something more worth while than trying to make people believe that they have the only hard time in the world.

Well, that's an unfair proposition because everyone knows there are one hundred detractors of our industrial system to one defender, and such a proposed exchange is unequal. However, we're game, and if the Iowa editor can perfect his end of the proposed arrangement, we'll be on the rock-pile any Monday morning.

SYRACUSE University has made announcement of a school of citizenship and public affairs. One purpose of the new school is: to impress upon university men and women the obligation of becoming intelligent exponents of American citizenship. . . .

But doesn't that expression go for all courses in the university?

Imagine a callow freshman coming to his advisor for counsel . . . and the advisor saying, "Are you interested in American citizenship? We also have excellent courses in economics, English, and public speaking."

Training for the obligations of American citizenship should, of course, begin in American homes. But it does not seem unreasonable to expect a continuation of that training in American schools and colleges.

Training for citizenship should not be elective; it should permeate every course in every school and college and university.

AGE has its victories no less renowned than youth. Three-score-and-ten of this day is up and doing. He is no slippered pantaloon to make a fireside grandsire. And at seventy doesn't a man just begin to get the full flavor of life, to get an inkling of how to get on with his fellows, to know something of this great business of living and doing, so that at eighty, ninety, and one hundred, he draws a sort of compound interest on the faith and good works of earlier years?

To make a case would be easy, but a friend makes it easier by sending a roster of names in point.

In the seventies—mere younglings—are Andrew Mellon, Henry Cabot Lodge, Senator Albert B. Cummins, John G. Shedd, Samuel Gompers, Frederick H. Gillett, Elihu Root, Leslie M. Shaw and Thomas A. Edison.

In the eighties—middle-aged, so to say—are Oliver Wendell Holmes, Senator Francis

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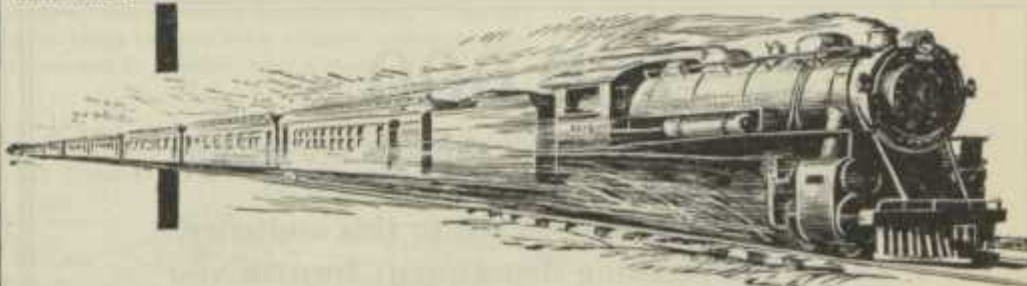
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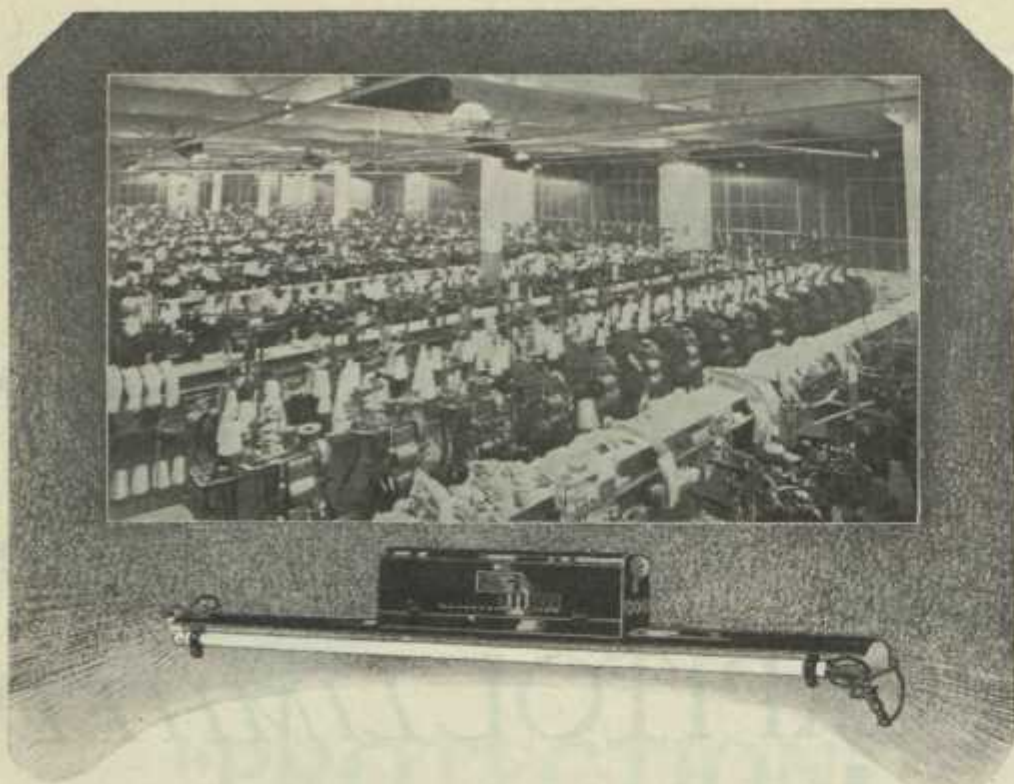
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The NATION'S BUSINESS
Washington

E. Warren, Joseph McKenna, Andrew J. Frame and Lyman J. Gage.

In the nineties—"still achieving, still pursuing"—are Charles W. Eliot, Chauncey M. Depew and George Shiras.

And for complete confusion of belief in Dr. Osler's measure of usefulness, that conspicuous centenarian, John A. Stewart, chairman of the board of the U. S. Trust Co.

Three-score-and-ten the end of life or its usefulness? Pish, posh! Here's Mr. Depew signing up for three more years of THE NATION'S BUSINESS. Like as not, a man keeps going just as long as he keeps interested in the world and its work.

A MAN might as well leave his photograph, name, address and telephone number, as leave his hat at the scene of a crime he has committed, writes Sylvan Hoffman, publisher of *The Hat Industry* and *The Hat Retailer*.

So? When the hat is found, it tells detectives enough to mark the man they seek, and the man is brought to justice—all because he forgot his hat. Mr. Hoffman writes expertly and interestingly on the tell-tale evidence that may be found in men's hats.

But, as a mere layman, I had always thought that most men were incriminated by talking through 'em.

FROM time to time we have narrated in this column the story of readers who "stop their subscription" because they did not agree with the articles we printed. It is refreshing, therefore, to chronicle this letter from Mr. S. G. McMullin, president of the Home Loan and Investment Company, Grand Junction, Colo.:

Herewith please find check in payment of my subscription.

Unlike some of your subscribers, we take your publication for the information it gives. We are not interested in a publication that agrees with our political ideas and we desire to testify to the great benefits derived from reading it. It is an inspiration and an education and we believe that it and the organization which it represents are doing a wonderful work in informing small-town people and people of small affairs as to the progress of our nation's activities and the activities of the world. Without desiring to be too fulsome in our appreciation, we want to say that THE NATION'S BUSINESS is the most valuable publication now printed for a man who is ambitious and wants to rise above provincialism."

May the tribe (or clan) of McMullin increase!

IN REPRINTING the article from THE NATION'S BUSINESS, "When a Whole Industry Advertises," Editor Trude, of the *Window Shade & Drapery Journal*, editorializes with the following yarn:

A rooster one day wandered from his own barnyard and, while pecking a bite here and there, came across an ostrich egg. He was dumfounded. He walked around the egg with his head cocked, first one way and then the other. Finally he turned and went slowly back to his family of hens and told them to follow him. Leading them to the ostrich egg, he pointed to it and said:

"Ladies, I know comparisons are odious, and I do not want you to think for a minute that I am complaining of your output. Nevertheless, I think all of us ought to try and keep in touch with what our neighbors are doing."

Mr. Trude says this is why he is reprinting our article. We want Mr. Trude to know that that is why we printed it originally and why we print a great deal of the material in THE NATION'S BUSINESS.

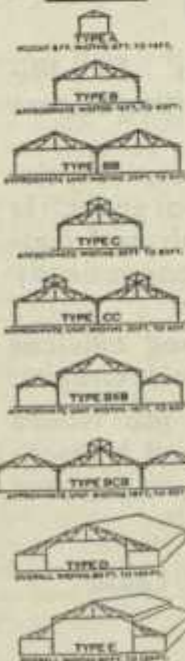
M.T.



Your Choice of

BLAW-KNOX *Better* BUILDINGS

All Steel BUILDINGS



FOR ALL USES

The many uses of Blaw-Knox Better Buildings include factories, machine shops, commercial garages, warehouses, filling stations, power houses, brick sheds, foundries, laundries, bakeries, railroad and express buildings, commissaries, bunk houses and gymnasiums.

You Save on Either One

These two buildings are "twins" in that each is the lowest-cost permanent construction.

One is made of galvanized copper-bearing steel. The other has brick walls instead of the Blaw-Knox copper-bearing steel sheets.

Each has Blaw-Knox patented leakproof skylights—the Blaw-Knox galvanized copper-bearing steel roof sheets, perfectly interlocked without a single bolt hole—steel sash, doors and ventilators.

You can have Blaw-Knox economy in *any* one-story building. Hundreds of satisfied users will verify your choice. Your initial investment is lower than for any other type of permanent fire-proof construction. Immediate delivery, speedy erection, in use at once.

Costs Are Low—Buy Now

Shrewd buyers are taking advantage of present low costs and effecting substantial savings. Prices are rising. Tell us *now* about the buildings you need. Let us send you prices and plans.

Pay As You Earn

If financing is an obstacle you may take advantage of the Building Finance Plan. You get your building at once with a small cash payment. The balance is payable over a year.

BLAW-KNOX COMPANY

632 Farmers Bank Bldg., Pittsburgh, Pa.

NEW YORK
30 East 42d Street
DETROIT
Lincoln Building
CHICAGO
Peoples Gas Building



BIRMINGHAM
Brown-Marx Building
BALTIMORE
Bayard and Warner Streets
BUFFALO
622 Genesee Building

Combination BUILDINGS

TYPICAL BRICK FRONT



TYPE F



Approximate Width: 30'-36'-42'-48'
Height: Variable as Desired

TYPE F-M



Approximate Width: 30'-36'-42'-48'
Height: Variable as Desired

TYPE L



Approximate Width: 30'-36'-42'-48'-54'-60'-66'-72'-78'-84'-90'-96'-102'-108'-114'-120'-126'-132'-138'-144'-150'-156'-162'-168'-174'-180'-186'-192'-198'-204'-210'-216'-222'-228'-234'-240'-246'-252'-258'-264'-270'-276'-282'-288'-294'-300'

TYPE L-M



Approximate Width: 30'-36'-42'-48'-54'-60'-66'-72'-78'-84'-90'-96'-102'-108'-114'-120'-126'-132'-138'-144'-150'-156'-162'-168'-174'-180'-186'-192'-198'-204'-210'-216'-222'-228'-234'-240'-246'-252'-258'-264'-270'-276'-282'-288'-294'-300'

TYPICAL BRICK FRONT



OTHER BLAW-KNOX PRODUCTS

CLAMSHELL BUCKETS
ROAD BUILDING EQUIPMENT
STEEL FORMS for Concrete Construction
STANDARD BUILDINGS
TRANSMISSION TOWERS
STRUCTURAL STEEL
WATER COOLED APPLIANCES for High Temperature Furnaces
FORGE AND HAMMER WELDING



The Norton Iron Works of Ashland, Ky., have three Brownhoist Cranes; the oldest one having been in continuous service for 18 years.

Untiring, Economical Service Over Many Years

Once you make your investment in a Brownhoist Crane, your handling problem is solved for many years to come. For, the rugged strength of a Brownhoist enables it to stand up—year in and year out—at the hardest sort of work.

Eighteen years ago a Brownhoist Crane was installed for the Norton Iron Works, of Ashland, Ky. Since that time it has been used almost exclusively in loading and unloading ore with a clamshell bucket—the hardest, heaviest work a crane can

be called upon to perform. In addition, it has done much shifting of cars around the yards.

Even after such lengthy service, the life of this crane is far from spent. It is still actively on the job and continues to do its work economically and well.

This is typical of the long efficient service given by Brownhoist Cranes.

If you have a handling job where speed is a factor and low cost is essential, a Brownhoist Crane will prove eminently worthwhile.

The Brown Hoisting Machinery Co., Cleveland, Ohio

Branch Offices: New York, Chicago, Pittsburgh, San Francisco, New Orleans, London, Etc.

Heavy Dock Machinery, Locomotive Cranes, Bunkers, Conveyors, Bridge Cranes, Buckets, Etc.

BROWNHOIST

M A T E R I A L H A N D L I N G E Q U I P M E N T

What Your Dollar Does Abroad

By CHARLES H. SABIN

Chairman of the Board, Guaranty Trust Company of New York

RECENT world events have made clear the fact that the United States is the principal nation to which other countries will increasingly look in the future for capital, either for the restoration of their financial and economic life, as in Germany, Austria, Poland and Hungary, or for the development of their natural resources in such areas as South America, the Orient, and elsewhere.

Not the least of these is the growth of wealth in the United States during recent decades. So extraordinary has it been, in fact, that conservative estimates place the total at more than \$300,000,000,000. As a direct outcome, this country today is the greatest reservoir of capital in the world. And because of the marvelous expansion of production and the exceptional volume of trade during the war and post-war period, the gold of the world has flowed into the United States until this nation now possesses nearly one-half of the existing supplies of this precious metal.

Abundance of Gold a Menace

THIS enormous stock of gold is far in excess of the reasonable amount required for the support of the country's own financial system or for the needs of our commerce. It constitutes a continuing menace to stability, with the danger which lies in the consequent possibility of inflation of trade and industry. It will obviously be to the advantage of this country that the excess of gold be forced out by investment or other means, thus helping to stabilize the world's financial system, with attendant benefit to all nations.

The low interest rates now prevailing are only one reflection of the effect of these huge gold stocks on the economic life of the country. Aside from the fact itself, these low rates not only emphasize the necessity for releasing part of our gold stocks, but they point to the fact that the only feasible and also the most profitable and, in an all-around sense, the most enduring relief is to be found in the purchase of foreign dollar bonds.

The present moment offers an unusual opportunity to realize on the potentialities of this situation. Foreign bonds, although they possess varying degrees of investment merit, are as a class selling at prices substantially below their intrinsic merits. Obligations of sound governments are generally recognized as the standard of investment worth, yet we have the anomaly of foreign government bonds selling to yield as much as 4 per cent more than United States government obligations. This discrepancy is due not so much to a belief in the poor credit of foreign governments as to a lack of understanding of what should form the basis of sound government credit. The tendency to judge risk

entirely or largely in terms of distance is certainly not based on sound reasoning and is gradually being discarded by thinking investors of this country.

The recent pronounced rise in the foreign bond market, which carried some issues upward to the extent of 10 points in a few weeks, gives some measure of this changing attitude. While the current ease in money rates, which drove the bond market as a whole to higher levels, is in part responsible for the rise in foreign bonds, it is noteworthy that after the impetus given by easy money conditions had largely spent itself, the appreciation in the foreign bond list continued and at an accelerated rate.

To the virtual acceptance of the Dawes report and the foreknowledge that it probably would be accepted, is given a large measure of credit for this rise. While there is reason to believe that the large and rapid rise incident to this event is practically at an end, there is a growing belief that conditions abroad are not so bad as they seemed and are, in reality, on the mend. Further, general improvement in European affairs, or any greater feeling of confidence on that score in this country, should aid foreign bonds as a class to a measurable degree, although those most dependent upon politics in Western and Central Europe will fluctuate more widely. In any event, the American investor is

gaining greater familiarity with and confidence in foreign investments and this is a stabilizing influence which, from the long-term point of view, augurs better treatment for this type of issue.

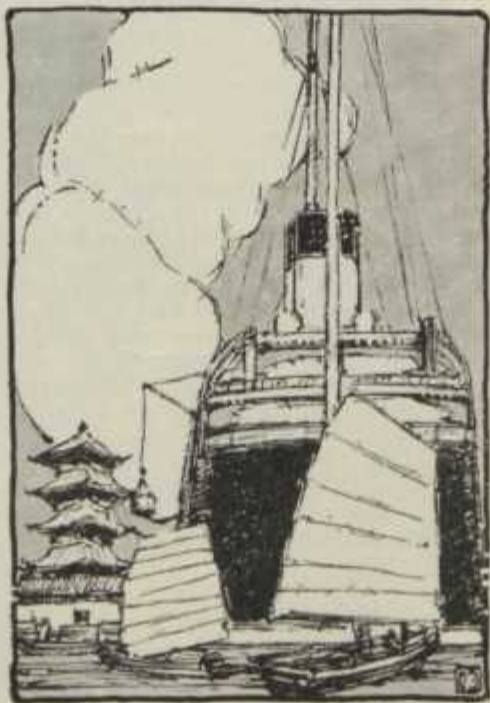
When the pound sterling is again easily and naturally maintained at its parity, the British investor will not pay 104½, as he now must, for Dutch East Indies 6s, when he can purchase them here for 95½. The only reason this is not done is because the pound is quoted at \$4.50, and the investment advantage is balanced by depreciation in exchange and the further potential loss due to a future rise in sterling. If the American investor himself does not correct this price discrepancy, he may rest assured that Britain will do it for him, for it is from the United Kingdom that the greatest part of investment buying comes at present.

The Effects of Par Exchange

IT IS not necessary to wait for the rise in sterling exchange to have this truth fully demonstrated. We have already had examples, on a small scale, of the same force working through the medium of Sweden, Switzerland, and Holland. The relatively favorable ratings granted the dollar bonds of these countries is not alone due to the high credit given their governments by the American markets. In fact, it is in spite of only a fair rating which we originally were inclined to accord them.

These three nations are the only ones in Europe which have been able to raise the exchange values of their currencies to their approximate dollar parities and to hold them there. And when these currencies rose to par, what happened? Take just one example. The Swiss people forthwith repurchased large blocks of the dollar obligations of their government on a yield basis which would be preposterously high at home. The Swiss 8's, as a consequence, which were offered to the American public at 100, rose to a high of 122 and are now quoted at 116. While part of this rise is attributable to better appraisal of Swiss credit by our own market, much of it, and perhaps the beginning of it, is traceable to an influx of capital from shrewd Swiss investors. An overflow of this demand for dollar bonds from Switzerland, Sweden and Holland went, after their own bonds were advanced, to other sound foreign government bonds. One can but imagine how strong this buying from abroad will be when the pound sterling reaches par, for England is a great reservoir of investment capital.

But there are other than these technical or market influences which are operating to popularize or to establish the position of foreign bonds in the United States. Foreign investment must necessarily follow the change



from a debtor to a creditor position, which change occurred in the case of the United States during the war period, and the future industrial development of the United States is likely to make the change permanent. And, as a consequence, America eventually will actively seek mediums for investment abroad, rather than merely accept them, as now. Economic laws demand this, whether or not the present temper of the American investment mind desires it. While the passage of time is perhaps the greatest requisite for the proper appraisal of the merits of the various foreign bonds now available for the American investor, there are numerous issues which are unduly depressed from a market point of view when considered in the light of intrinsic soundness.

Former Need for Dollars at Home

THE ROLE of investor in foreign securities is still a comparatively new one for the American capitalist to play. We have been international bankers only in a commercial, not in an investment, sense. Conditions in the United States in the past have been such that the domestic market has readily and urgently absorbed the great bulk of American capital and there has been no need to look abroad for opportunities for its profitable use. Possessed of enormous undeveloped resources of fertile soil, mineral deposits and timber, with great areas to be furnished with transportation facilities, and with innumerable rapidly growing communities requiring ever-growing public utility services, there has been demand for the application of accumulated savings for these needs. With a great continent of its own to exploit, the United States has devoted itself primarily to that task and has left to European capitalists the profitable field of foreign investment.

It is true, nevertheless, that some American capital was beginning to flow to certain foreign fields prior to the World War. American investment was to be found in mines and oil wells in Mexico, in industries and forests in Canada, in copper mines in Chile and Peru, in sugar plantations in Cuba, and in meat refrigerating plants in the River Platte region. The need for protection for a growing industry led to a desire to control supplies of raw material and some investment in rubber plantations in the Far East was made. Practically all such investments, however, represented the interest of a limited group of powerful elements. There was no great investing class in America, such as is found in Europe, which was currently and actively interested in foreign securities and had the habit of placing its capital in them as a natural and customary thing to do.

A change has taken place, however. There are now listed and dealt in on the New York Stock Exchange foreign securities which were originally offered, from 1914 to date, to the aggregate par value of \$2,385,350,000, and for which the American people paid \$2,251,460,000. The present market for these securities represents a valuation of \$2,332,834,000 for the original commitment, or a gain of 4 per cent, as shown in the following table:

	Amount issued	Price paid at issue	Present price applied to original amount	Per cent of increase (+) or decrease (-) in value
Total Europe.....	\$1,202,000,000	\$1,145,699,000	\$1,194,458,500	+ 4%
Total South America.....	346,000,000	319,212,500	339,492,000	+ 6%
Total Canada.....	214,500,000	211,797,500	218,822,500	+ 3%
Total Central America.....	147,300,000	144,262,500	139,069,500	- 11%
Total Far East.....	475,650,000	430,488,000	440,991,500	+ 2%
	\$2,385,350,000	\$2,251,459,500	\$2,332,834,000	+ 4%

(In compiling table only listed securities were considered; consequently it is not complete).

It will be noted that the securities of Central America alone of all the geographical groups declined over the full period. There was, nevertheless, a 4 per cent appreciation of the whole group, even with Central American issues included. While 4 per cent is not a large profit from a speculative point of view, it is considerable from an investment viewpoint.

It is plain that the European has long been far more internationally-minded than the American with respect to foreign securities. In Great Britain, for example, the financial journals currently print the quotations of government bonds and other securities covering practically all governments as well as industries and public utilities of every variety in all parts of the world. These lists, which are widely distributed, include the securities of railways and other public utilities everywhere—tea plantations in Java, tin mines and rubber plantations in the Straits Settlements, gold and diamond mines in South Africa, iron mines in Spain, cotton plantations in Egypt, or coffee plantations in Brazil. There are more than 150 different Argentine securities alone dealt in on the London Stock Exchange—a number greater than the total of the bonds of all foreign countries listed on the New York Stock Exchange. In fact, the general investment interest is of the broadest possible character not only in Great Britain, but in Belgium, France, Germany, Italy, and the other continental countries, and in all of them the holdings of foreign securities are of large volume and of extraordinary variety.

And in this connection, a comparison between the total amount of capital issues floated in Great Britain and in the United States during last year may be of interest:

Capital Issues in Great Britain, 1923				
Where employed	Total capital issues	Column 1 expressed in percentages	Government securities	Column 3 expressed in percentages
British Isles.....	£80,499,128	38%	£14,175,000	14%
Other British Emp.	84,400,795	41%	62,219,376	62%
Foreign Countries..	44,894,848	21%	24,441,780	24%
Total.....	£209,794,771	100%	£100,836,156	100%
Capital Issues in the United States, 1923				
Where employed	Total capital issues	Column 1 expressed in percentages	Government securities	Column 3 expressed in percentages
United States.....	\$4,670,121,692	94%	\$668,201,400*	73%
Foreign Countries..	316,353,000	6%	242,845,000	27%
Total.....	\$4,986,474,692	100%	\$911,046,400	100%

* These amounts represent 4 1/4 per cent United States Treasury Notes.

The enormous difference between the ratio of domestic flotations and foreign flotations in the two markets is worthy of note. Although total amounts floated in this country are roughly five times as large as in Great Britain, the comparison on a percentage basis shows that the British investor has much more faith in foreign securities than we have. If issues for British India, dominions and colonies are considered as foreign loans, 62 per cent of total flotations in England are foreign and 86 per cent of all government securities are

foreign. In the United States, these figures are 6 per cent and 27 per cent, respectively.

A comparison of yields on the foreign and corporation bonds on the New York and London Stock Exchanges, as shown in the table on page 16, reveals that, with the exception of a few of the very best railroads, the difference in the yield between corporation bonds and foreign bonds in the London market is very much less than in the New York market. This also signifies that the British, as I have stated, put more faith in foreign securities than do the American people, and give to them a rating more closely approaching that given to home securities.

The interest of the British, French, German and other European peoples in foreign investments, it may be said, was a natural evolution, the result of the trading, shipping and banking developments which had been proceeding for a long period in the old world. Similar developments now seem impending in the United States, and a parallel growth of interest in foreign investments may be expected to follow here in due course of time and for much the same reasons.

British Capital Covers World

PRIOR to the war, it is estimated, Great Britain had sent her capital abroad to a total amount of about \$20,000,000,000, and was adding to it at the rate of \$1,000,000,000 yearly. The war reduced this total somewhat, but Britain is still expanding her foreign investments to the extent of hundreds of millions of dollars each year. The trading, banking and shipping interests of Great Britain are world-wide in extent and place her in close touch with investment opportunities in foreign fields.

An example of the way in which she has

seized these opportunities is found in the case of the railways of Argentina, of which 15,000 miles out of a total of about 22,000 are controlled by British capital and to the profit of the British investor. London is also the greatest international commodity market and, moreover, British industries absorb a very large volume of raw materials of every kind: minerals, textile fibres—such as cotton, wool, flax and hemp—rubber, vegetable oils, and similar necessities of manufacture. These direct trading and manufacturing activities have led to investment on so extensive a scale that there is now no corner of the globe where British capital is not utilized in the exploitation of natural resources of every variety.

Thus far, there has been little investment of American capital abroad in the securities of public utilities, industrial enterprises or plantations. Such investment as has been made is mainly represented by bonds of foreign governments. In recent years large sums have been placed in loans negotiated in



the financial market of the United States by Belgium, Sweden, Austria, Japan, Argentina, Chile, Peru, Canada, the Dutch East Indies, and other countries.

It is now generally recognized that the rehabilitation of Europe can scarcely be brought about without the positive aid of American capital. That the American public will invest in loans intended to aid in the restoration of European economic life has already been proved by the many responses already made to the security offerings of various European countries. An outstanding example is the reception accorded to the recent Austrian Government loan in this market, which, it is estimated, was taken by 11,000 people in the United States. It is true that this loan had exceptional security in the guarantees of eight European governments, including Great Britain, France, Czecho-Slovakia, Italy, Belgium, Sweden, Denmark and Holland. This demonstration of American cooperation is convincing even though the yield, amounting to above 8 per cent, was high.

Aid for Austria and Japan

THE AUSTRIAN loan is secured by a first charge upon the receipts of the Austrian customs and of the tobacco monopoly which have, in part, shown a return far in excess of the requirements for the service and amortization of the loan. Under the skillful direction of the Dutch Commissioner General of Austria, Dr. Zimmermann, and with the aid thus given by other governments through this international loan, Austria is slowly but surely winning her way back to a satisfactory economic and financial situation.

If as favorable bases are afforded for the proposed German loan of \$200,000,000 there seems to be no reason to doubt that a very considerable proportion of it can be placed in the United States.

America's readiness to come to the aid of temporarily distressed foreign peoples is indicated by the successful flotation of the \$150,000,000 loan to Japan, a considerable portion of the proceeds of which is being used to purchase materials and supplies for the re-

PLODDING around a weary tread-mill, the Japanese farmer pumps water for his thirsty rice crop. Hour after hour he climbs on an endless task that a gallon of gasoline and a pump would do a dozen times over. But where shall he get a pump, or better yet, that bigger pump which will furnish water for a thousand farms?

Here's where your dollar comes in. It leaves your pocketbook and, with 999 others, becomes a \$1,000 Japanese bond. And once it has traveled overseas, does Japan dig a hole and hide your dollar? Not much; the alert Japanese puts it to work again; and part of it, perhaps, comes back to buy the pump that ought to free this man from the slavery of his tread-mill. That pump, moreover, may be bought in the United States.

That dollar we are talking of and whose use abroad Mr. Sabin describes, is a powerful hundred cents. It buys things, it moves from country to country, it stimulates trade, and more than that it has a civilizing power hard to compute.

The American dollar that is lent in Europe may help a peasant farmer to step from man-power and ox-power to tractor and threshing machine, may free him and his wife from daylight-to-dark drudgery in the fields.

A generation or two ago we were a borrowing nation. When we sought to fling a steel highway across to the Pacific, for example, little Holland lent us her piled-up money. Now the shoe is on the other foot, and the undeveloped nations are looking to us to help them in their upward struggles. And as the American dollar grows in power abroad, more and more of it will come back to the American manufacturers who make the things that Europe and Asia and South America need.

construction necessitated by the earthquake and fire of September, 1923. It is estimated that 48,000 American investors, including a large number on the Pacific Coast, advanced this loan. Here, again, economic and financial conditions in Japan give adequate assurance to the American investor of the essential soundness of that nation's credit and of the ample resources under its control to meet its foreign obligations.

The returns on the foreign government bonds which have been issued in the American market have been, in general, above 6 per cent and as high as 8 per cent, and even in excess of that rate. The yield from foreign industrial bonds usually is also considerably greater than that obtained from domestic issues of comparable security. Thus, the return of the \$12,000,000 bonds of the Industrial Mortgage Bank of Finland issued in July of this year is 7½ per cent, while the \$15,000,000 bonds of the (Japanese) Great Consolidated Electric Power Company, Ltd., were offered to the American investing public on a 7.85 per cent basis. These yields compare very favorably with returns of 4 per cent and less on the United States government bonds and 5 and 6 per cent on sound American railway and industrial bonds.

It will be noted also that the spread between the yields on foreign government and foreign industrial securities is usually far less in this market than that between United States government bonds and domestic industrial securities. Thus, the Japanese government bonds yield 7.10 per cent, while the Japanese industrial security referred to in the foregoing paragraph yields 7.85 per cent.

Supply Sources Overseas

THE RETURNS on foreign securities reflect, of course, the adverse effect of the war. The contrast between the rates at which most of them were able to borrow before the war and present rates is quite striking and proves the far-reaching effect of that catastrophe upon the international credit structure. The present high rates indicate the estimated risk of foreign investments today, yet it should be plain that the very aid to finance and commerce afforded by liberal American investment should tend to restore conditions to normal and thus increase the soundness of such ventures. In other words, the cumulative effect of continued foreign investment tends to reduce, over a period of time, the yield from that type of investment. This, of course, points to the relative attractiveness of sound foreign bonds at this time.

American industrialists are also beginning to realize their dependence upon foreign sources of supply for essential raw materials and it seems quite possible that this will stimulate more and more an actual investment interest in such sources abroad. The manufacturers of rubber products have already led the way with their investments in rubber plantations in the Dutch East Indies. The United States

Government is now conducting an exhaustive investigation as to the possibilities of rubber production in Brazil, the Philippines, and elsewhere, and one result of this study may be the flow of American funds abroad for the active development of promising areas.

The Secretary of Commerce has pointed out very emphatically the control that other nationals possess over a number of products upon which important American industries are dependent for their continued operation. In addition to rubber, he calls special atten-

tion to nitrate of soda, tin and jute. As this situation is understood, what will be more natural than an effort to protect these industries by the control of American-owned areas of supply in the foreign countries where these necessities are produced?

In estimating the probability of the development of the habit of making foreign investments by the American people, it should be noted that great economic and financial changes have occurred in this nation during the last decade. We now possess a merchant

fleet whose operations reach all the ports of the seven seas. American trading houses are establishing branches in many foreign cities, and American citizens in increasing numbers are expatriating themselves in order to look after these branches. The American banking system under the Federal Reserve Act permits the establishment of branch banks abroad and many such branches are now operating in Europe, South America and the Orient.

The same development is taking place in America as that which led the older European countries out upon the path of foreign investment and it is a practical certainty that a similar extensive interest in the placing of capital abroad will develop in the United States. The movement, in fact, as we know, has already begun. It may unfold somewhat slowly, as it must be admitted that the present attitude of the American investor is a somewhat reluctant and provincial one. He still needs considerable education as to the advantages and profit which are to be secured by investment in foreign securities other than government bonds. This interest, however, is likely to be aroused as the significance and value of foreign investment become year by year more clearly demonstrated by the results of such transactions as have already been made.

Our World-Wide Outlook

THERE is probably not too much optimism in a belief that the nations of the world are now gradually but very definitely restoring themselves to prosperity. There is positive evidence of this in most countries today. The records of American foreign trade prove it, as well as the evident stabilization of currencies which is taking place in every direction. It is a period when courage and confidence, accompanied by the usual precautions, may reasonably be shown by the American investor to his decided ultimate profit.

He controls the means to hasten the restoration of the weakened nations of Europe and to stimulate the development of those countries with large natural resources, and these tasks are well worthy of his serious consideration. Economic pressure will force his cooperation ultimately, in any event, but with a resultant profit which is likely to be at a decreasing rate. Certainly the time is past when the outlook of the American investor should be restricted within the boundaries of his own country.

His is now the opportunity to play an important part in the history of the world's financial and economical development and it does not seem possible that he will permit it to pass with indifference to its great possibilities. That his education is proceeding is proved by the record of very considerable foreign investment in recent years, and this investment interest will constantly tend to broaden in the future. The period of the financial isolation of the United States, it is certain, has now been definitely closed.

Comparison of Yields

Quotations are as of July 1, 1924

NEW YORK STOCK EXCHANGE

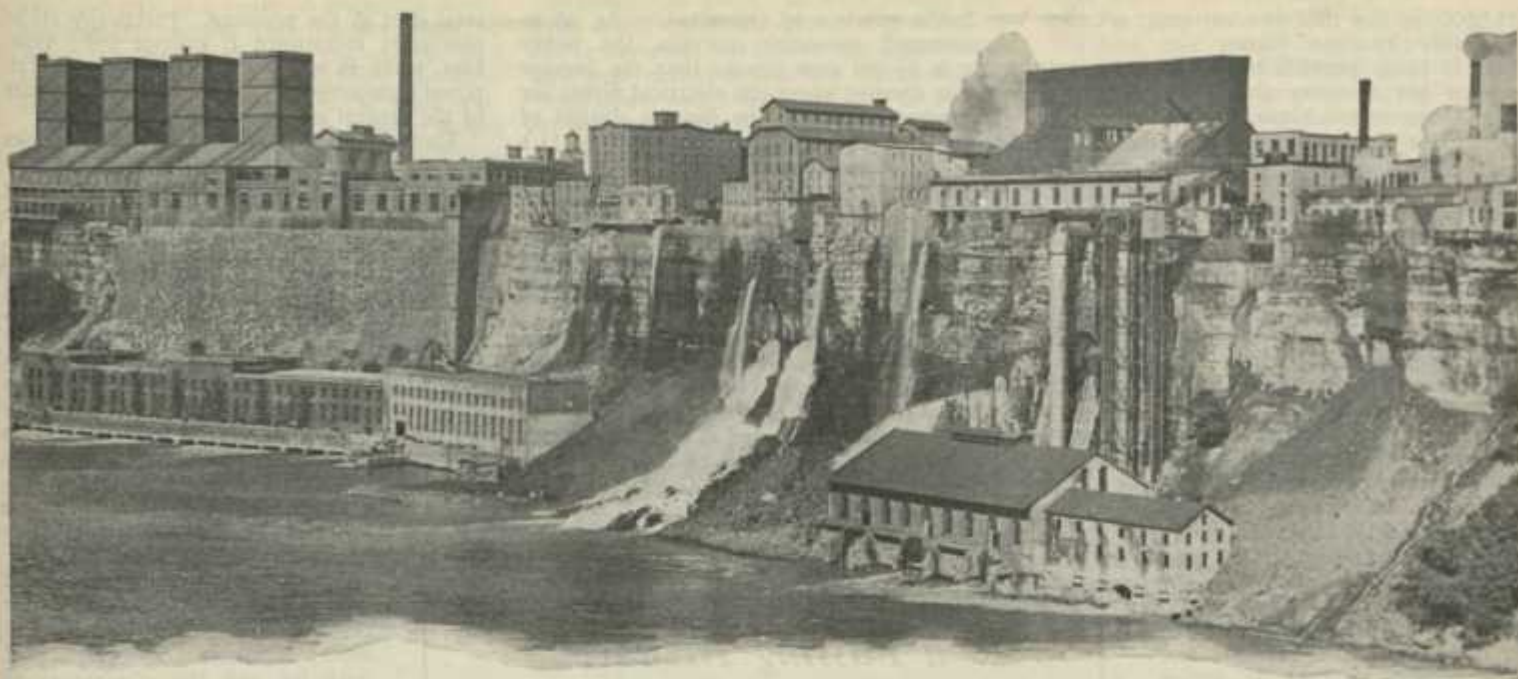
Foreign Bonds	Price	Yield
Austrian Govt. 7s 1943.....	92½	7.75
Czecho-Slovak Rep. 8s 1952.....	96¾	8.30
Dept. of the Seine 7s 1942.....	89½	8.10
Japanese Govt. 6½s 1954.....	92¼	7.15
Kingdom of Norway 6s 1952.....	97¾	6.15
City of Rotterdam 6s 1958.....	98	6.13
Republic of Chile 7s 1942.....	98¾	7.20
Dutch East Indies 6s 1962.....	95½	6.30
Corporation Bonds	Bid	Yield
Pa. R. R. Gen. 5% Series B. 1968....	101¾	4.90
Dupont de Nemours 7½s 1931.....	108¾	6.00
Intern. Merc. Marine 6s 1941.....	84½	7.65
Goodyear Tire & Rubber Co. 8s 1941..	115¾	6.45
N. Y. C. Ref. & Imp. 5s 2013.....	99½	5.05
Consolidation Coal 5s 1950.....	87¾	5.98
Bethlehem Steel Cons. 30-Yr. 6s 1948..	96	6.34

LONDON STOCK EXCHANGE

Foreign Bonds	Due Date	Price	Yield
Austrian Govt. Gtd. 6s.....	1943	89½	7.00
Czecho-Slovak Rep. 8s.....	1952	98¾	8.10
Dept. of the Seine 7s.....	1952	99	7.50
Japanese Govt. 6s.....	1959	91½	6.60
Norwegian Govt.....	1961	101½	5.90
City of Amsterdam.....	1974	99¾	5.55
Chilean Govt.....	1957	108½	6.85
Dutch East Indies.....	1963	104½	5.70
Danish Govt.....	1970	76¾	5.40
Corporation Bonds		Price	Yield
Great Western R. R. 5s Deb. Stock....		107½	4.65
London, Midland & Scottish 4s.....		84½	4.74
Cunard S. S. Co. 7s.....		105½	6.64
Lever Bros. 5s.....		98½	5.07
Dunlop Rubber Co. 8s.....		105½	7.58
Vickers Ltd. 5s.....		94	5.32
Irving Coal Co. Ltd. 6s.....		97¾	6.15
Selfridge & Co. Ltd. 5s.....		99¾	5.03
Armstrong, Whitworth & Co. Ltd. 4s...		79	5.07
Bovril Ltd. 4½s.....		87½	5.15

tion to nitrate of soda, tin and jute. As this situation is understood, what will be more natural than an effort to protect these industries by the control of American-owned areas of supply in the foreign countries where these necessities are produced?

In estimating the probability of the development of the habit of making foreign investments by the American people, it should be noted that great economic and financial changes have occurred in this nation during the last decade. We now possess a merchant



© EWING SALLOWAY

In the territory that taps the mighty natural energy of Niagara Falls for power, the advantages of private over public ownership are strikingly manifested. On the Canadian side, where the utilities are government owned, rates average one-third higher than on the American side where power is supplied by private corporations.

The Specter of City Ownership Fades

By FLOYD W. PARSONS

NOTWITHSTANDING the teachings of experience and the great amount of educational work that has been done among the masses, there is an element in the United States that favors the nationalization of all essential business. Included in the list of those preaching this gospel are many political leaders, who believe that participation in the fight for government ownership provides them with an opportunity to pose as progressives enlisted in the cause of protecting the interests of "the people."

In justifying a departure from the present plan of operating most of our businesses under a system of private ownership, these exponents of socialism call attention to the fact that the progress of civilization is now at such a high rate that we must substitute new ways for the customs of yesterday. They say that the interests of the individual must be subordinated to the interests of the group, and they propose as a remedy that the public shall own and operate the industries that produce necessary commodities and that provide essential service.

A Program of Sure Disaster

NO DANGER that threatens our life is more grave than that which lies back of this effort to take business out of the hands of private interests. There is a real threat in the fact that the changes which the radicals are proposing are not properly named or explained.

It should be known by everyone that the invitation to embark on a program of government ownership is nothing more or less than a call to socialism.

It should be known that the great success of the United States and of American industry has been created by private enterprise and initiative.

It should be known that in any land where the people are the government, the citizen can never get rid of his burdens by unloading them on the government.

It should be known that not a single American industry has been invented or developed

by our Government, and that nothing but disaster and disappointment will result from denying the right of each individual to liberty of person, liberty of property and liberty of contract.

The principal attention of the advocates of municipal ownership up to the present time has been given to those industries operating what we call utilities. These opponents of private business do not call attention to the fact that practically all of our public-service corporations are already subjected to strict regulations and the closest kind of scrutiny by public officials. They do not make plain that it is impossible for the utility of today to engage in unfair practices or wilfully inflict injuries upon the people at large. Although the utility is engaged in a noncompetitive business, it has far less opportunity to pursue an arbitrary policy in dealing with its customers than have the highly competitive corporations.

The proposal of the socialists that all of our utilities be owned and operated by the public is merely an opening wedge in the big fight to nationalize all business. If we take one business, there is ever the more reason to take another. If we own and operate the companies that provide us with heat and light, soon we will be confronted with proposals to exercise control over the companies that supply us with such essentials as food and clothes.

It is for this reason that we must decide the merits of municipal ownership in our great utility field where the arguments for public ownership are most speciously put forth. Certainly if the utilities cannot be operated successfully by the people themselves, no other form of enterprise can be run profitably under such a system.

It is interesting to note that 680 municipal utility plants have been abandoned in less than twenty years. Recently in many states, groups of towns have united their interests

and contracted for service from large private gas and electric corporations at a much lower rate than they enjoyed under municipal operation. In some instances municipally owned plants have been given away in order to free the taxpayers of the heavy burden of losses resulting from the operation of utility companies owned and run by the public.

Is it not fair to say that if municipal ownership were a desirable thing, there would now be an ever-increasing movement on the part of cities and towns to adopt such a plan? But the figures show that the present trend is definitely away from public ownership. In the electrical industry the percentage of the total consumers of electrical energy served by privately-owned plants has increased rapidly in recent years.

In less than two decades, the urban population supplied with current by municipal plants increased 1,305,922, while that served by private companies increased nearly 28,000,000. Also five times as many electric plants under public ownership now get their current from the generating plants of private companies as was the case ten years ago.

Public Ownership on Retreat

FURTHERMORE, the average rate at which electricity is sold in the United States by our municipal plants is more than twice as high as the rate charged by private companies. As to efficiency of operation it is enlightening to learn that our electrical plants owned by the public employ more than 10 per cent of all the electric and power employees in the United States, and buy more than 10 per cent of all the fuel converted into electricity, while at the same time these plants produce only 4 per cent of all the current sold in our country.

In the gas industry, only five per cent of our American companies are municipally owned, and of the 9,000,000 meters in use, municipally-owned companies can account for less than 153,000. Of a total of 45,000,000 people served by manufactured gas, only

762,000, or less than two per cent, get their gas from city-owned plants.

It is easily possible to pick out a single private gas company that sells more than four times as much gas annually as is sold by all the municipal plants in the United States combined. In both the gas and electric fields, the majority of the municipal plants are in towns of 1,000 population or less, where funds cannot be raised easily except by pledging public credit.

As for the comparative tax rates in cities that own their utilities and in those that do not, it is interesting to note that tax rates in non-municipal cities average \$15.50, whereas the rate in cities that own and operate their own utilities is \$19.31.

In New York City the taxpayers are compelled to shoulder yearly losses of \$1,500,000 on municipal ferries, \$5,000,000 on busses, \$10,000,000 on subways, and a large sum on trackless trolleys. Under private management the New York ferries were all self-sustaining, and more than half of them paid a profit on the investment in them. It costs New York \$11.78 a nautical mile to operate its ferries, while railroad ferries in the city are being operated for \$7.15 a nautical mile.

Investigation showed that on the city boats the cost of labor averaged \$4.36 per mile, while on the privately owned boats it averaged only \$2.06; fuel costs were \$2.33 on municipal boats, as compared with \$1.48 on the railroad boats. In New York's experiment in running a trackless trolley the cost of carrying each passenger was shown to be 10.27 cents. Since the fare charged by the city is only five cents, it is evident that the taxpayers must shoulder a loss of more than five cents for each passenger that rides.

Our Wartime Railroads!

THE best lesson that was ever given to the people of the United States on the subject of government ownership and operation of an important industry was the experience obtained through federal operation of American railroads during the war.

Since the day our carriers were returned to private ownership, railway operating expenses have been reduced nearly one billion dollars a year. One-half of this amount has been turned over to the public in reduced taxes. One-third of the reduction has come from decreased wages. The remainder of the great saving effected has resulted from increased efficiency and economy of operation.

It required 2,109,188 employees in 1920 under government operation to handle the same amount of traffic that was moved in 1922 with 1,697,310 employees. The compensation of capital invested in our railroads was increased from practically nothing under government ownership to about \$800,000,000 under private operation. At the same time, the wage reductions that were made left the pay of employees substantially above the cost of living. In other words, railroad wages were not decreased in the same proportion that the cost of living declined; the workers did not hold the bag.

In the province of Ontario, Canada, where government ownership prevails, the power rate is 32 per cent greater than the average rate in Quebec where the electrical plants are privately owned. In the Niagara district of Ontario, the charge for electricity is 11.1 mills per kilowatt-hour. In the United States for a comparable zone supplied by Niagara Falls power the average price for current is 7.65 mills per kilowatt-hour. In Quebec where private companies own the utilities, the cost per kilowatt-hour for electricity is 6.6 mills.

From the standpoint of efficiency, private operation appears to possess most of the advantages. In support of this statement let me direct attention to the case of a private plant that was constructed in New York State at Niagara Falls at a cost of \$50 per horsepower. Across the river in Canada the gov-

total debt of the province. Practically all of this great investment is exempt from taxation, while in near-by provinces the central-power companies, of course, pay their share of the general expenses of government.

There is no greater fallacy than the idea that the public benefits from federal or municipal operation of essential businesses. Every time a utility is taken from private hands and placed under the control of officeholders, the property is immediately shifted into the tax-exempt class, and as a result the county and state governments are deprived of revenue which must be made up by increasing the taxes of citizens, many of whom live in outlying districts where they do not receive service from the municipal plants.

Private companies search for bargains in brains. Municipal enterprises consider party affiliations first and ability second, and frequently pay unwarranted wages in order to win the support of a certain group of voters.

Municipal operation means more jobs and less work; it means less personal responsibility for management; it means the throttling of initiative and the elimination of all incentive for gain, and it means the expenditure of money for purposes that have not received the approval of a trained engineering staff, competent bankers, and an experienced board of directors.

The public as a group seldom receives as much for its money as does private business. People who work for the government practically always recognize the nature of their employment and object to being forced to extreme effort. The public officeholder believes he has a right to his job. Furthermore, managers selected by popular vote are not likely to possess the qualifications of expert business judgment that are essential to the successful operation of an important enterprise.

Public Opinion Fickle

IN A LARGE city of the Middle West the people took over their street-railroad system at a cost of nearly \$40,000,000. Shortly afterward the new management of the street-railway company was forced to ask the voters of the city to authorize the issuance of \$5,000,000 of new capital. Notwithstanding the fact that the money was badly needed to take care of necessary improvements, the citizens turned down the proposal, thereby jeopardizing their entire original investment of \$40,000,000.

When the municipality owns the utility, the citizens are the stockholders of the corporation, the councilmen are the directors, and the mayor is the president. Under such a plan each new proposal becomes a political issue, and practically all statements are questioned as to their reliability and the motives that prompted them.

Municipal ownership means that the business is at the mercy of a fickle public opinion. It means that in all probability the business will be run in such a way that no careful accounts will be kept except meagre records of receipts and disbursements. It means that the profits talked about by the politicians will very likely have been fictitious and will have

Municipal Ownership Is Now a Passing Menace

By Charles A. Coffin, of the General Electric Co.

I THINK the danger from municipal ownership of public utilities was never so slight as now. The time was when it seemed that every promoter-politician who could get a hearing in the papers, public halls, or in legislative bodies was proposing and working for municipal ownership. I have not the record, but I think there is a very much smaller percentage of municipalities of the country now owning plants than was the case fifteen years ago, and in some cases municipalities have wisely leased or sold to the local operating company and gone out of business.

The scientific way to get good results is to create a monopoly and then regulate it. In the early days it was not uncommon that there were two, three and sometimes four franchises in one city, lines running criss-cross, competing, until at last the truth was forced on the franchise-granting authorities that some time the public would have to bear the entire burden of the three or four or five plants which had been built under franchises granted by the city, and that when the investment therein should eventually be recognized it meant a two or threefold burden upon the community.

A striking instance is the city of London, where not long since there were sixty-one different suppliers of electricity, publicly owned as well as privately owned. The cost of their current was substantially double that in the principal cities of this country, and the amount of electricity per capita about one-half that in large American cities.

While our public utility companies are under the regulation of commissions, which on the whole are growing more and more conservative, and have come to better understand the problems of the utility companies, such companies are, in the nature of the circumstances, practically protected from competition.

ernment has undertaken to build a power plant, and it is estimated that the cost of this plant when completed will be \$260 per horsepower, or more than five times the cost of the privately owned plant.

Such enormous expenditures have been made by the Government of Ontario in electrical development that the combined outlay of money now represents 70 per cent of the

appeared only as a result of inadequate book-keeping. It means that various kinds of labor will be charged to the general city funds, and that claims for injuries and damages will often be handled in the same way.

The progress of industry in America would have been less satisfactory and at a far slower pace if our key industries had been owned and operated by the Government. Conditions in Russia, Germany and Italy show what must result from the introduction of communism. In all of these countries, and especially in Italy, the people are turning away from nationalization to private enterprise. It is interesting to note that while electricity was introduced into the United States and in Great Britain at approximately the same time, here in our own country the per capita use is about 600 kilowatt-hours, while in Great Britain it is 150 kilowatt-hours. We get 96 per cent of our electricity from privately-owned utilities, while the British get much or most of theirs from municipal operations.

Perhaps the best argument proving the advantages of private ownership is the true story of the development of the telephone

throughout the world. In most foreign countries where telephone service is provided under government operation, the expansion of this great enterprise has been extremely slow. Here in our own country we have 70 per cent of all the telephones in the world, and while we are not always satisfied with the service we get, it is so infinitely superior to that which obtains abroad that there is absolutely no basis for comparison. In the London district there are approximately 300,000 telephones, serving a population of more than 10,000,000 people. In the United States there are no less than five times as many instruments serving an equal population.

In the State of Massachusetts where there is a law providing that no municipally-owned electric plant shall sell current for less than cost, it has been found possible to get to bedrock in this matter of the comparative merits of public versus private ownership. A recent survey made by an impartial committee showed clearly that the rates for municipal plants are higher, while the service is not as good as that given by private companies. The cost of manufacturing cur-

rent was 33 per cent higher in the municipal than in the private plants. Likewise the distribution cost was 21 per cent higher, and the labor cost per unit was 53 per cent higher in municipal than in private plants.

Every reason that can be advanced favoring municipal ownership of utilities is no less an argument for the nationalization of all essential business. If we are going to disregard the overwhelming evidence against public ownership, and are willing to consent to the operation of all basic businesses by the public, then we are pursuing a wise course in advocating that utilities shall be owned by the city or state. But let us not fool ourselves into thinking that we can favor municipal ownership in one field and forbid it in another. It does not follow that because a business must be regulated by the people, it must be owned by them. It does not follow that because customer ownership is highly advantageous, city ownership is equally so.

Wherever in business today we undertake to substitute the group for the individual, we are striking savagely at the foundation of our established Government.

A Business Innocent Abroad

He Meets Mr. J. Smith, of Boston, U. S. A., in Buda Pesth

By HENRY SCHOTT

LASTLY, the Council appointed Mr. J. Smith, of Boston, U. S. A., as Commissioner General."

That's from the official report of the League of Nations Committee on the Financial Reconstruction of Hungary.

Mr. J. Smith, of Boston, U. S. A.

When I came to that point in the statement it read to me as if the committee having to do with the Hungarian problem had not yet agreed on the commissioner generalship and had used the term "Mr. J. Smith, Boston, U. S. A.," in place of Mr. N., or X., or a blank space to be filled in later. It sounded anonymous—and mysterious, and, therefore, interesting.

He really exists and the League of Nations reached all the way to a Boston law office to bring him to Buda Pesth. In his home, and in New York and Chicago, he is Jeremiah Smith and all the big lawyers and financial men know him very well. He has not been out of Harvard so very many years, but he had some sixty or seventy big, medium and little lawyers working in his offices when he was asked to give up his practice and come to Buda Pesth to clear up the Hungarian financial mess.

And to the Hungarians Mr. J. Smith, of Boston, U. S. A., is almost as anonymous and as strange as his name. As commissioner general for the League of Nations his position in Hungary is comparable with that of the representation of a banker's committee in active charge of a sick corporation. The company may have a president and board of directors and a full operating staff, but that man in the back office who was sent by the banks

has the last word. His name may not appear on the stationery, but it stands out on the vouchers.

Great Britain, France, Italy, Romania, Jugo-Slavia and Czecho-Slovakia, acting as members of the League of Nations, undertook to help Hungary in economic and financial reconstruction. About \$50,000,000 would keep the concern from going on the rocks. As security Hungary assigned all the customs receipts, all the receipts from the government tobacco monopoly, the net receipts of the government salt monopoly, and the net receipts of the government sugar tax.

The committee figured that these revenues would bring in seven or eight million dollars a year to be applied on the loan, which is for a period of twenty years. The report of this bankers' committee of six nations says "the execution is entrusted to a single officer of 'disinterested' nationality, acting in collaboration with the Hungarian Government; this officer, the commissioner general, is Mr. J. Smith, of Boston, U. S. A."

The execution—please note the report prints the word in italics—is entrusted to a single officer. No board, no committee, no strings—just Mr. J. Smith, solely and alone. The money is deposited to his order and he signs the checks.

Mr. Smith dropped into Buda Pesth last spring, registered at the hotel and asked for his telegrams, just as if he were on an overnight business trip out of Boston. Then he went to see the Hungarian Government officials.

These people are hospitable and ceremonial. It would never do to have

the commissioner general stop at a hotel. Provision had been made for him—a wing of the royal palace and immediate arrangements would be made to install him there at once. Mr. Smith should be shown these quarters to make sure that they would be wholly satisfactory. The lawyer from Boston expressed his deepest gratitude over this kind attention, but asked that he be permitted to remain in his room at the Hotel Hungaria, and meantime he would like to have an office



Life is just one inspection after another on a short trip from Buda Pesth to Vienna

and desk. I saw that palace—it is within a few yards of 1,000 feet long. One wing would accommodate the Boston State House, but J. Smith preferred his hotel room. I now make the claim that this is the first authentic instance of an American having refused to accept residence in a royal palace, officially assigned and offered him.

Mr. Smith's office is in the Hungarian Ministry of Finance. I had some trouble finding him after I had entered. The room is about sixty feet in length, furnished just as elaborately as a visitor from a republic would expect in the former chancery of a royal minister. Away back in a corner stands a flat-topped desk and that is Mr. Smith's work place. You have to look twice to find it. On the wall behind is a full-length portrait of the Empress Maria Theresa. Opposite are paintings of the emperors, grand dukes and ministers of finance of other days.

New Hampshire's Native Son

"PULL up a chair and sit down if you can find space," was the commissioner general's greeting. "When I look down the length of this room I can't help thinking about three or four dollars a square foot in an office building back home."

I asked him about the palace incident.

"Yes, they very kindly offered me a wing of the building and I appreciate it," he said. "But I haven't time to use that kind of an establishment, and besides I was born and reared in New Hampshire and you know the two simply don't go together. They don't fit in. I have asked them to find me a house near my office and meantime I'm perfectly comfortable in my room at the hotel. On this side of the water official life, ceremony and social life are by tradition closely associated. To attend to this job I cannot, unfortunately, take advantage of as much of the ceremonial and social sides as I should like."

"It's as interesting a problem as I have ever met and I am enjoying every minute of my work. Hungary, from my observations of a few months, wants only an opportunity to work back to a sound, productive basis. I am offered every cooperation from private interests as well as from the government, and I have the greatest hopes for early and satisfactory results. Agriculturally, there is no finer country. You ought to see the corn they grow here, and the wheat yield. They are fine farmers and hard workers. They need markets and they'll come when they and their neighbors come to a tariff understanding."

Beyond that, this native son of New Hampshire was just as unexpressive as his name. He said he did not believe in talking about a job he had just begun. He believed in Hungary and liked the Hungarians; that was almost all. No, he had never been in Hungary before, and he said he had no regrets in giving up his law practice and his home in Boston, for a term of years in Buda Pesth. He impressed me as a man accustomed to big work where, again to quote the League of Nations report, "the execution is entrusted to a single officer."

On the outside I learned that J. Smith was something highly original in official life in this part of the world. He might be termed an eight-hour man—he works from eight in the morning until eight at night. The first few days he came to his office in the Finance Ministry one of the night watchmen had to let him in. The doormen and porters about the place had not yet come on duty. Nothing like it ever before in their long experience. Then there are the official dinners and after

them the semi-official ones and the ones not at all official. J. Smith, of Boston, U. S. A., seems to have engagements for weeks ahead and yet he is rarely seen at dinners other than the official ones.

Consider his staff. A commissioner general in sole charge of millions of government revenues actually on deposit in his name and subject only to his check, and he has a staff of only four men. He spends government money, they tell me, as carefully as if it were his own. He is a new species.

I have been in Austria and Hungary only a few weeks and only as a casual tourist, so I feel far better qualified to express my opinion on conditions and prospects than Mr. Smith who is studying conditions closely every day with every source of information at his disposal. Mr. Smith is an optimist. Born in New Hampshire, from a long line of New Hampshire ancestors, he has naturally a mighty strain of hopefulness in his blood. The people who chose the hills of New England as a source of existence lived on equal parts of hope and hardship. After that anything seems promising, easy—even Central Europe.

To a hotel traveler it is almost depressing as it stands today—a geographical and political mess with the spirit of the people the one sign of promise. With visitors, at least, they have quit discussing what happened to them in the last ten years; they seem interested only in what they are to do to bring better days. The political geography of Austria-Hungary, Czechoslovakia, the Serbs, Croat and Slovene states and Romania, is a little beyond the comprehension of a man brought up in one of the forty-eight states that form our country.

Suppose we were operating on a Central European basis. You are to go on a business trip from Philadelphia to New York, just as a citizen of Buda Pesth in Hungary would find occasion to go to Vienna in Austria. You would apply to your government in Pennsylvania for a passport and have yourself photographed for full identification. Then to the New York consulate in Philadelphia for a visa.

Wearing Out the Passport

BEFORE getting on the train, a Pennsylvania government officer would inspect your passport to be sure that you had a right to leave the Keystone State. Then to the customs office with your trunk and bags to have one of Governor Pinchot's men satisfy himself that you were not carrying things to New York that should remain at home. After that you would have a perfect right to get on the train, providing you had the railway ticket. Nothing more to worry about now for quite a little while, unless the alert frontier guards of the state of New Jersey should decide an inspection of passengers and passports necessary, for, don't forget, you have now reached Camden and are on the sovereign soil of New Jersey.

You have no intention of leaving the train before New York, but others may, so show your tickets and passports. All over now until you reach Trenton. There the New York guards come aboard, take a look at the passports and you are entirely free until you come into the station.

A porter answers your summons and your bags go to the customs room; two inspectors and a train load of passengers. Unlock!

"Anything dutiable?"

"Not a thing; I'm just over for a day from Philadelphia"—information that is of no interest whatever to the gentleman who is now boring into your carefully packed clothes.

Chalk mark and into the second bag. All through—

"Here! Here! What's this?"

"Why that? That's nothing but a piece of cervelat sausage that I'm taking to my aunt who lives here. I didn't know—"

"You didn't know? Look me straight in the eyes and try to tell me that you didn't know that New York imposes an import duty of eleven cents a pound on all dried sausages, cased, tied at both ends and weighing not less than two ounces per cubic inch nor more than three and one-tenth inches in circumference? Step aside, please; the appraiser will have to attend to this."

That is a fair picture of what a business trip from one of these countries to another, in a few hours, means under present conditions. I saw the man with the sausage in the Vienna station—it was about eighteen inches long and wrapped in a newspaper—and I have a reliable witness. I also saw the look of horror come over the sausage smuggler's face as the inspector held the contraband under his nose. Would you make many trips to New York? Would New York and Pennsylvania have much business with each other?

The most discouraging feature of the situation in this section of Europe is that all of these reformed states have gone enthusiastically into the creation of endless tariff laws, many of them of a retaliatory nature.

"In the new geography they cut the head, legs and arms off of Hungary," a Buda Pesth business man told me. "They left only our heart. In the territory we gave up were our coal, iron and factories. Today we have only our agricultural section left, so by means of a tariff we'll build up manufacturing that will give us a market for our grain."

"Why not sell your grain to the countries that now own your mining and factory centers and are short in agricultural production?"

"Because they have put a tariff against our grain in order to build up their agriculture."

Now could anything appear more hopeless! On the way from Buda Pesth to Vienna we were slowing down for a station, many of the passengers began to crowd into the corridors. The moment the train stopped there was a rush across the platform. I feared that I was neglecting some important luggage or passport inspection and asked a fellow passenger for information.

"This is the first station in Austria and they're rushing over to the fruit stand to buy oranges," he answered.

"Oranges?"

"Yes, Hungary has a very heavy duty on oranges—prohibitive, in fact. The Hungarian people have always been very fond of them and the first thing they do when they cross into Austria is to go for the orange counter," he explained.

"But Hungary grows no oranges. Why the heavy duty?"

"It's a retaliation against Italy which placed a tariff against Hungarian products."

The Orange Bootlegger

AND I remembered how, one evening in a garden restaurant in Buda Pesth, the waiter said to me very circumspectly, "Would the gentleman, perhaps, like some oranges?" It was neither the time nor place for oranges. I was puzzled. Now I understand he was an orange bootlegger and he acted exactly like our moonshine-peddling waiters at home.

Hungary has a population of eight million with farming the principal industry. Austria has six and one-half million, mainly industrial. The Danube gives a perfect transportation connection to the two countries. Austria can-

not begin to feed itself, nor has it coal or iron mines to operate its factories; the coal and iron went to Czecho-Slovakia. If it could buy coal and iron from Czecho-Slovakia and food from Hungary, payment could be made in manufactured products, and everybody would benefit. These countries each have something the others could use, but they are blocked to a large degree by their new and peculiar tariff laws.

"Outside of our manufactures about all we have is music and mountains," an Austrian said to me. "We can't export the mountains and we can't eat them. We have to buy coal and iron from one of our neighbors and food—even sugar—from another. And there are tariff taxes on almost everything. Result, our factories cannot compete. The one thing we can export competitively is music and, somehow, that doesn't seem to figure in trade balances."

Hungary Needs Food and Coal

CZECHO-SLOVAKIA, in natural resources and in industrial development, is one of the richest territories in Europe and has least cause to worry over the situation. Hungary can feed itself, but that does not pay the bills. Austria, with six and one-half million population of which almost one-third, 1,900,000, live in Vienna, has the hardest problem. It cannot grow enough food to feed its people and it has neither coal nor iron for its factories. Its principal export is timber, much of it cut from state forests. Yet you rarely hear an Austrian complain about the present situation or seem doubtful about the future.

"This may seem bad to you from America," they'll say, "but it is so much better than it was that we know things will straighten out. We know times are hard and that they are going to continue to be hard for years to come, but they are improving steadily."

Only a short time before, Vienna had been hit by a financial panic. When last year the international loan was made to Austria there was a restoration of confidence that expressed itself in something approaching a speculative boom. Austria was to come back and that immediately. Industrial stocks went kiting on the exchange and their rise was exceeded only by that of bank shares.

It was great; everybody was in the market and everybody was getting rich. And the banks! That was the popular business. Rent a storeroom and get credit at the sign painter's and there you were a banker. Money was pouring into luxuries and amusements and everybody was happy. About that time the franc began to weaken steadily.

The Austrian, knowing what had happened to his kronen when it once started to slip, decided to profit by experience and to sell francs. He was right—almost. The franc continued to glide down the skids until, along in March, J. P. Morgan let the French Government have a matter of a hundred million dollars to buy francs. The Vienna franc speculators were caught and that boom was worse than over. Many of the new little banks scratched the paint off the windows

and hung up the "For Rent" sign. Some of the big ones cracked wide open and everybody's paper profits disappeared. Another sweet dream was turned into a nightmare.

This summer, after the crash, the Vienna banks were paying 9 per cent interest on daily balances and as much as 16 per cent on three months' deposits. Imagine what a borrower would have to pay and then try to figure how he could stay in business. Try to imagine it; I can't.

The government pays 9 per cent on postal savings accounts and not much money is brought in. Two reasons: One is that the people have little left after living expenses and they are not enthusiastic about putting that little in a savings account; the tin box in the old bureau drawer has a stronger appeal. The second reason is a people who are by nature and tradition thrifty and saving saw its lifetime investments in government and other public bonds fade away in the war collapse. They would rather take a flyer on the bourse and get a run for their money; quicker turnover, too. Their old habit of saving will have to be learned over again.

Let's imagine that the United States decided to split up and Virginia, Maryland and Pennsylvania formed one republic with Washington as the capital. Top-heavy, to say the least, in overhead plant and manage-

sary in a country of fifty-one million population, but became superfluous with six-sevenths of the people taken away. "They can't exactly poison us," as the old-timer said.

Government railways, too. Last year they took in 2,840 million kronen and spent 4,161 million kronen. Telegraphs and telephones showed the same result proportionately. The League of Nations sent Dr. Zimmerman, burgomaster of Rotterdam, to act as financial manager and he is reducing the annual deficit, but not without his troubles. When he proposed having an outsider come in as adviser in the management of railways and telegraphs, the radical press objected on behalf of the employees. They preferred a deficit rather than a reorganization that would affect the working conditions. Nevertheless, the government supported Dr. Zimmerman in his plans.

Sidestep Golden Opportunities

BUT AUSTRIA and Hungary have one advantage over all of their neighbors. Austria is permitted to have an army of only 30,000 and Hungary 35,000. Czecho-Slovakia carried about 150,000 in its peace establishment, Jugo-Slavia 115,000 and Romania 210,000. Having no seaports these days, neither country has any need of a fleet; their neighbors, excepting Czecho-Slovakia, have navies. The railways, telegraphs and enormous list of government employees inherited from the old regime are the main elements causing deficit.

They cannot be accused of trying any plan that promises. The Wollersdorf plant near Vienna corresponded to Germany's Krupp or France's Schneider. Last year it was proposed to lease the works to a German electrical company, in fact the deal was made. The more radical element

protested and the electrical company withdrew, the plant going into operation under the control of the government and the operatives. Instead of munitions, machinery, electrical equipment, typewriters and similar products were to be turned out.

Incidentally, here was a fine chance for a social and economic demonstration. This summer the government decided it could no longer afford to meet the deficits that this experiment so steadily created and the whole institution would have to be shut down. The national arsenal brought a similar experience. The result, thus far, has been loss of money and charges of mismanagement and dishonesty.

Miles of broad, tree-planted avenues, leading to plazas, gardens and parks, palaces, museums, public buildings, more gardens and parade places, libraries and galleries, palaces again, terraces and cascades—and all shabby and down at the heel. That's the Vienna of today. Palaces need paint. Ornamental lamps need glass and bulbs. On the lawns of the great court yards of the palaces and public buildings men are swinging scythes, making hay. Under the trees of the great Ring thoroughfares the grass plots that once were



ment. That is the situation today in Austria. Vienna was developed for a nation of fifty-one million, not only as a political capital, but also as the financial, commercial, art and social center of the empire. With one-seventh of the old population remaining, the old plant still exists. Thousands of retired government officials living in what may now be Czecho-Slovakia, Jugo-Slavia or Romania, took a short cut for Austria when the empire fell; as government pensioners they wanted to be close to the treasury. "We're here and are dying slowly. Still they can't deliberately poison the whole lot of us, can they?" is how one of them expressed it to me. He had been forty years in the government service when pensioned and was adding to his income by taking tickets on a suburban motor bus.

From top to bottom there are thousands of jobs and half jobs that may have been neces-

like carpet are worn away. The streets themselves want cleaning.

The old Imperial Opera House from afar cries for paint, repairs and a scrubbing. Its monumental lobbies, foyers, staircases are bare of floor coverings; the air of someone having just moved out. In the boxes not a woman in evening costume; with four or five exceptions all of the men in business clothes. The emperor's box occupied by twelve or fourteen men and women somewhat self-conscious, but enjoying every minute—probably from the new governing class.

To the Prater, among the famous drives of the world, where the rich, the great showed themselves, their horses, their households; four rows of chestnut trees, two and a half miles long and for the horse only—not an automobile permitted. To the Prater at the fashionable hour, to see what there was left to be seen of the Viennese great world. That two-and-one-half-mile avenue, the Haupt Allee, the main avenue of the Prater, was lifeless except for two men in shirtsleeves, who were crossing it a mile away. Empty, desolate.

That's the merry, care-free, music-loving, dancing and singing Vienna of today. They still love music, they still sing and dance and they try hard to be merry and care-free, but their surroundings do not help. The same holds good to a lesser degree of the people of Buda Pesth. They are willing to bluff themselves, but physical conditions make it difficult.

But how we must envy them their foresight in city planning! Here the monarchy was of purpose. The way to build a capital is to build it. In the old days when the sovereign decided on a new drive, a new palace, or parade ground or garden, it was not necessary to have city council action, condemnation proceedings, injunctions, various court appeals and bond elections. Do it first, was their motto.

An emperor had only to call in his architect and landscape engineer and give instructions. "I was riding along Linden Street yesterday and it seemed somewhat crowded. Don't you think it would be a great improvement to widen it to, say, 275 or 300 feet from the opera to where it intersects Main Street and

then make a diagonal connection from there to the new city limits? You do? That's good. And will you change the name to Franz Rudolf Ring, on Hapsburg Avenue while we're changing. Give it some distinction.

"While we're on the subject you'd better give it the same width right through to the other side of town. Make a fine draft in the hot summer days. That's all today, except that I want to acquire 4,200 acres to round out our little hunting estate southeast of the old brickworks. Close that for this fall's shooting."

Not Like River Front Back Home

THE PALACES, the gardens, the parks and hunting preserves are still there, but now they belong to the people and are used by the people. An hour on a street car from the heart of Vienna will bring you to great pine woods, miles in extent. On Sundays and holidays the thoroughfares are alive with men, women and children on their way to and from these forest-covered hills.

Those were developments of several hundred years of autocratic government, but over in Buda Pesth is an example of city planning of this generation surpassing anything ever attempted in America. The part of the Hungarian capital known as Pesth, had grown far more rapidly in the forty years before 1914 than Minneapolis or Kansas City, or even Detroit, but that did not prevent it from growing on a well-considered plan, with wide streets when they should be wide, with squares and ovals, parks, gardens and water courses when they fitted in the scheme.

The river front—can we forget our river fronts back home? Not until we forget the old town dump. These Hungarians have made a very busy port—the Danube is a waterway that is used—a beautiful esplanade, lined with hotels, apartments and the parliament buildings. Yes, there are factories and workhouses, too, but they again are where they should be. This city also has taken care of its transportation problem with an underground railway. There is not in America as modern a city as this Magyar capital, either in plan or construction.

About twenty-five years ago a group of in-

telligent, far-sighted citizens of Chicago, with Daniel H. Burnham at their head, presented a city plan for Chicago. About twenty years later one item of the general plan was completed—the widening of Michigan Boulevard. The delay, with constant rise in costs of land to be taken, had increased the cost threefold. Were the Burnham plan to be put into full effect today, the cost would probably be five times greater than when it was proposed in 1900. Today it seems, and probably is, prohibitive. A pity for Chicago that Burnham was not emperor of Illinois for just that one day!

Almost every city in America still has the opportunity to acquire lands for forest preserves and some of them are doing it, even if the days for replanning to meet new conditions seem to have passed. Acquire your forest preserves now.

In spite of all of it, the Austrian does not show discouragement about the future and, apparently, has concluded to make the best of things and enjoy life, where opportunity offers. The same may be said of the Hungarian. Their courage and optimism offer a lesson to any American who thinks things at home are looking "ominous" as my friend out in Wallace County used to say—he was always expecting the sheriff with the foreclosure notice to appear around the corner.

With the spirit these people show they will work themselves back to peace and prosperity—always providing that they and the governments of the several contiguous countries will consider their economic interests as a whole and wipe out some of their funny tariff laws. Commercial currents were not given much consideration when the boundaries were drawn.

Their greatest help will come when they agree among themselves to let trade flow in its natural channels regardless of political boundaries—to make themselves commercially a group of states. There are many very able men in these governments, men who are looking to a future of peace and friendship, and they are working toward that end.

Meanwhile I feel much better over the prospects after having seen J. Smith, of Boston, U. S. A.

The Great Northwestern Thaw

ON A CRACKLING cold night last December, four of us—a county agent, an economist, a bank cashier and myself—sat in a little county bank in the middle of the State of North Dakota, where my search for facts about the Northwest's plight had led me. The rest of the town was asleep. The cashier, keen-eyed, wiry, punctuating with nervous gestures, concluded:

"And will we bankers see the farmers through this? To the last ditch! We've got to! But—!"

He drove his fist against the other palm and we jumped at the crack of it. "We're frozen, I tell you! Tighter than a drum!"

He had epitomized the plight of so many banks in a tremendous area of the great Northwest. Many had been called but more were frozen.

Here was real truth sifted out from all those assertions and contradictions, charges and counter charges. "The Northwest is bankrupt!" "No such thing! That's a libel!" "It will be depopulated!" "No, only the inefficient will leave!" "The Government lured

By WILLIAM HARPER DEAN

these people into an economic death trap, baited with patriotism: 'Grow more wheat and win the war!' They grew more wheat, won the war, and now the trap is sprung!" "Bosh! The war ended six years ago!"

"Industry, labor and capital, behind the mask of government appeal, have taken the wheat farmer by the throat and this is his death rattle!" Everybody to blame, including the farmers themselves.

As told, it was a confusion of tongues, a tale "full of sound and fury, signifying nothing."

Oh, it all came to a head at the wrong time! A year too soon or one too late. In '21 or even in '22, level heads would have thought through the complex equation of that distressed situation and evolved its solution. And that would have been the end of it. But it came to a head in a winter of discontent—this winter just gone—a few months before the people elect a president.

Political thunder, formulas for salvation,

self-appointed saviors of several million farmers, rumbled and rushed from the issue which like a mid-winter thunderhead towered over the Great Plains. From Maine to California the country resounded to a pandemonium of remedies. Congress was flooded with panaceas that needed only the affixing of the great seal instantly to reverse a state of affairs which inexorable laws of economics had wrought. Prices of farm commodities were out of line with those of other commodities—the economic structure bent. So place a legislative jack under the girder and force it back into alignment. That was the way, some said. Legislative enactments alone could save the day for American agriculture.

In the very vortex of all this, on February 4, 1924, the President of the United States stood in Washington before an assemblage of farmers, bankers, manufacturers and insurance men. They had come from the far Northwest, from the East, in answer to his call. The Chamber of Commerce of the United States had aided in bringing these together. Calmly, earnestly the President said:

"The principal purpose of this conference is to secure cooperation. Agriculture cannot stand alone. The banks cannot stand alone. A great amount of money has been spent to establish the population in the area affected. It represents some of the best elements of our citizenship. In this day of distress and adversity, it ought to be saved because it is worth saving. It can be saved if all of you who are interested are willing to do what you can do. Without you the Government can do practically nothing. With you the Government can save the situation."

That was all—"It can be saved if all of you who are interested are willing to do what you can do." Earlier in his message: "The extent to which such assistance can be rendered, and the precise form which it shall take, is for the conference to decide."

Conferences so often assemble, pass resolutions and then go home. And that ends it. This one, too, met, passed resolutions and went home. And that was the beginning—February 4, 1924.

That conference gave breath to something new—a concrete expression of whole faith in the outcome of the situation with all its complexities, a faith which had no stomach for governmental subsidies, or governmental taking over of the processes of buying and selling those commodities, the over-supply and under-price levels of which in great measure had shaped the immediate problem. It was a faith founded upon common sense.

Replacing Crepe With Confidence

THE Agricultural Credit Corporation which was born of that one-day conference went out into the Northwest to function in such manner as neither the War Finance Corporation nor the Intermediate Credit Banks nor the Federal Reserve Banks properly could do. The corporation went out to such banks as the one in which we sat that December night and heard its cashier cry, "We are frozen!"

It went out there in the spring—the season for thaws.

Such situations as we have gone through turn as much on psychology as on economics. Perhaps more. So long as men have an abiding faith in the outcome of a dilemma, so will that faith be rewarded. But when banks begin to close and the commission's placards are hung like crepe on their doors, men become panicky. It spreads. "Will our bank across the street close, too? If it does, our deposits are gone!" Cash is withdrawn and deposited in socks and chimney corners, and the bank across the street, today perfectly solvent, tomorrow feels its life-blood ebbing away.

Not that the distress of the Northwest existed merely in some calamity howler's fevered imagination. It was real enough. A succession of crop failures, low prices, the inevitable deflation following the 1919-20 boom, accumulated taxes and interest charges—all these had conspired to place that section in a very real dilemma. But the Northwest was not broke. There were abundant equities everywhere—but frozen. There was the invaluable asset of the farmers' courage and grit. There were behind it all records of similar depressions which other regions had experienced and lived through.

What was needed as much as anything else was a strengthening of confidence—among business men in the towns as well as among the farmers out on the land.

Fully appreciating the disastrous psychological effect of closing banks, the corporation bent its efforts to forestall such failures rather than to put the breath of life into those which already had succumbed. "It was rec-



To maintain, and sometimes restore, the confidence of the farmer in the solvency of his bank was an essential factor in keeping business riding on an even keel throughout the Northwest

ognized," stated Mr. A. P. Kemp, president of the corporation, "that the closing of a bank destroys the confidence in areas far beyond the territory served by that bank." And above all, confidence had to be preserved!

It was to banks with frozen assets that the Agricultural Credit Corporation, with its \$10,000,000 of capital, over-subscribed by four hundred and thirty-eight individuals and business concerns in and around Boston, Hartford, New York, Philadelphia, Pittsburgh, Cleveland, Detroit, Chicago, Milwaukee, Duluth, St. Paul and Minneapolis reached out a thawing hand and thus enabled them to carry on. At the close of business July 31, 1924, two hundred and fourteen banks in Iowa, northern Minnesota, Montana, North Dakota and South Dakota had been saved from liquidation, which meant that their total deposits of more than \$50,000,000 had been kept in circulation. This meant also that the thousands of farmers who had made those deposits carried about with them a growing conviction that soon all would be well. And little more than four million dollars in loans and investments were needed by the corporation to bring this about!

When the corporation first took form, wild rumors preceded its activities. Some had it that this \$10,000,000, subscribed principally by banks, with railroads, manufacturing organizations and other business interests making up the balance, had been pooled to be poured as oil on the troubled political waters of 1924; that loans would be made indiscriminately, with no regard to security. But it quickly

developed that the corporation was manned by business men. Worthless or doubtful securities were ignored and the helping hand went out only to those hard-pressed banking institutions which could offer security not immediately liquid but nevertheless a safe and sane business risk. Six per cent interest has been charged. The corporation has made little, if anything, from its transactions.

No Politics, No Favoritism

FROM the corporation's offices in Minneapolis, you will not get records of individual cases of aid to banks. There is reason for this. During the period of its activity the corporation quietly, often secretly, has given faltering banks new leases on life, when the depositors themselves had not the slightest suspicion that their bank rapidly was nearing the point of total exhaustion. So only as cumulative effects of restored confidence are manifested in brightened conditions will the corporation's work find due recognition.

It is well worth recording here that throughout the corporation's activities in behalf of those two hundred and fourteen weakened banks, in addition to reopening nine, it has not given a moment's thought to whether the banks which have been the objects of its concern were operating under state or national charters. Neither have the corporation's methods been dictated by any political considerations. This organization set out in all seriousness to do a full-size job; it has let nothing deflect that aim.

Acting upon applications for loans from

banks as early as March, this year, even while two major pieces of proposed legislation for the relief of agriculture were being debated in Congress, the corporation was in the field in time to give substantial aid to late seeding. A total of eight loans were made to companies handling a particularly valuable variety of wheat in North Dakota so that the seed might reach the farmers. These and other seed loans have amounted to upwards of \$53,000. In addition, the corporation purchased more than \$44,000 worth of farmers' tax receipts.

Vote Million for Live Stock

THE well-remembered Norbeck-Burtness Bill, designed to aid deserving farmers in purchasing a nucleus of live stock as first proceedings in securing absolute divorces from one-crop farming, was defeated in Congress. The equally well-remembered McNary-Haugen Bill, designed to convert the United States Government into a gigantic buying, shipping and selling organization, thus to relieve producers of such bothersome details and instantly to render agriculture problem-proof, died a lingering death.

Then to the astonishment of many who were watching the activities of the corporation, it launched the experiment of functioning in modified degree along the general plan embodied in the late lamented Norbeck-Burtness proposal. That was last May, when the Executive Committee authorized the creating of a live stock division of the corporation and appropriated up to \$1,000,000 to begin this work.

Was this but a gesture, a fine play to the gallery?

Once more rumor had it that the corporation would loan money indiscriminately to farmers who applied for such funds—salve! Again was rumor discredited by expressive action.

"It was very evident," said James R. Howard, a director of the corporation and former president of the American Farm Bureau Federation, "that in order to protect the investments of the corporation both in selection of risk and in keeping track of the security chattels, these loans must be made only to such farmers as have both resources and adaptability for taking care of the particular kind of live stock selected, and, further, there must be a concentration of a number of live-stock loans in one community or county if the best results were to be obtained."

"Thirty-one counties in which the county agent work had been well organized were selected as preliminary territory. Communities

were sought out in which a material number of farmers desired to take up dairying and were willing to form cow-testing associations, pure-bred sire associations, all accepting the same breed of cattle in order that they could be uniformly established.

"Committees passed upon the general standing and desirability of the various applicants. An agent was appointed to locate the best sources of dairy cattle supplies; only tubercular tested stock from well-established herds was approved. Thus far 1,494 cows have been sent into the territory under direction of the Agricultural Credit Corporation and applications are pending for the purchase of some five thousand more.

"These loans are made to the farmer on the security of the cows and their offspring which are furnished to him at cost. The notes run for a term of four years at 6 per cent interest with the provision that 10 per cent of the principle is to be retired during the first year, 20 per cent the second year, 30 per cent the third and 40 per cent the fourth year.

"There is a feeling in many parts of this territory that sheep would be, in the long run, a better investment than dairy cows and the matter of furnishing breeding ewes during the present summer and fall is being given earnest consideration."

During the height of debate in Congress over the Norbeck-Burtness proposal for government aid to one-crop farmers, it frequently was contended by those who would see the Government take over the entire machinery of selling and distribution of the staple farm crops of this country that the farmers them-

selves would not avail themselves of such aid, that they cared nothing whatever about changing their method of farming.

The record of the corporation's activity in financing purchases of live stock for applicants in this limited territory of the Northwest hardly lends support to that contention, no more than did a survey, conducted in a certain area of North Dakota by the United States Chamber of Commerce working with the North Dakota Agricultural College, when exactly 50 per cent of the wheat farmers interviewed not only qualified as good risks for such loans but stated emphatically that they would be glad to have them.

It is perfectly safe to say that while there always will be a certain percentage of wheat farmers who constitutionally would be opposed to any other type of farming, yet the experience which the spring-wheat areas of this country recently have passed through has given an impetus to safer farming through a more diversified program which will not be lost in years to come even though there holds a relatively high price level for the grain.

One-Crop Farms Are Passing

DR. JOHN LEE COULTER, president of the North Dakota Agricultural College and himself an active agent in the work of the Agricultural Credit Corporation, has just written me some comments upon the changes which are being wrought in the agriculture of his state—often singled out as a striking example of the one-crop farming tendency.

"In our educational campaign," says he, "we have stressed the situation that farmers should first make sure that they have pasture

for the summer months, also water for the live stock purchased. Second, we have urged the necessity for providing hay and grain as well as shelter for the winter months. This meant an increase in corn, oats and barley and also an increase in alfalfa, clover and other hay and feed crops.

"During the last five years that we have been gradually increasing this educational program, tremendous improvement has been made. I am enclosing a hastily prepared table which in some measure shows the result of this educational campaign, together with the work of the press and the assistance of the banks and the credit corporation.

"According to this table you will see that we have succeeded in reducing our wheat and rye crops nearly 25 per cent in five years. Flax and potatoes have taken the place of nearly one-half of the land withdrawn from wheat and rye; but corn, oats and



More and more are banks throughout the agricultural regions realizing that they are something more than clearing houses for money alone. Here is one, for example, that serves as a clearing house of much-wanted information, installing a radio for the receipt of daily market quotations which are posted the second they come "off the air."

barley and tame hay have increased to the extent of nearly 1,800,000 acres. Some land formerly left idle in the summer has been shifted to corn and tame hay crops. We have a net gain under the plough, according to these government figures, of 404,000 acres."

Dr. Coulter has sounded a note which should not be ignored. He attributes the impetus given to diversification not to any single factor but to the educational campaigns which have been carried on within the state, the work of the press, the assistance of banks and other business corporations and the work of the Agricultural Credit Corporation.

No single one of these influences could or will bring about that happy estate in agriculture in which there is no possibility of such near-disaster to an entire region as recently has characterized the spring-wheat areas of this country. It is only by a close working agreement among all such constructive forces that this desired end can be achieved.

It strikes directly back to the words of President Coolidge when, addressing the farmers and business men assembled in Washington last February, he said, "The

principal purpose of this conference is to secure cooperation."

And in the meantime, while these forces have been at work, there have been additional manifestations of the axiomatic principle that the only way in which an economic bent may be straightened is through the natural play of economic forces. At this writing an entirely different outlook has lifted above the agricultural horizon.

Price levels of farm commodities, which so long have seemed incapable of recovery, now have begun to climb. There is an altogether new promise for American farm exports; Europe, thanks to the Dawes plan, seems on the verge of economic convalescence. Our crops have been good; no shortages have increased their market prospects, but rather have increased demand. I have no better way to summarize what present conditions indicate than to quote a recent letter written by Mr. Julius H. Barnes.

"It is particularly gratifying," he wrote, "that the distressed areas of the Northwest, which have suffered for three years, are apparently assured now of large yields and generous prices.

"The translation of this farm production

into real money is now under way in the Southwest, and will be well advanced in thirty days more, elsewhere. It means liquidated bank loans, and reopened banks; it means mortgages cleared of overdue interest, extended, reduced, or paid; it means again merchants once more solvent, and wholesale houses dependent on them beginning to check up their inventories for expansion; it means the sale of more lumber, cement, building material, farm implements, and the thousand things of farm use. Through this chain, the revivification of industry will reach all lines.

"But beyond all of this material aid to quickening business and industry is the new spirit of hope and confidence which the elimination of distressed conditions will mean. And beyond that again, is the demonstration that sound economic laws, made effective by individual resourcefulness, energy and initiative, have again worked the remedy, with a chapter of discredit for political fantasies and economic panaceas. It means, in a word, that the wholesome, sturdy principles of individual opportunity, and the preservation of sound business conditions for that individual opportunity, are once more justified."

The Romance of American Business

By ALFRED PEARCE DENNIS

Special European Representative, U. S. Department of Commerce

IN SHEER ennui, a French courtier of the old régime blew out his brains, leaving on his dressing table a bit of paper scrawled with this last message: "Tired of dressing and undressing."

Court life is governed down to the minutest details by etiquette. Etiquette reduces life to a formula, and it becomes a bore. Life consists mainly of repetitions. Routine means doing the same old thing over and over again in the same old way.

The mail carrier goes out over the same route; the engine driver must keep to the rails; the dishes that are washed in the morning must be washed again before night. Most jobs consist in endless repetition. Money is a form of accumulated labor. The man of leisure lives on reserves of stored-up labor. It is a question whether the idler gets more fun out of life than the worker. Certainly the successful man finds work more interesting than fun, and most men find zest in work itself rather than in its rewards. When work is a drudgery what is to be done?

Even Selling Hay Has Charm

BUSINESS itself is one of the most interesting things in the world, though it doesn't seem so to the outsider. Years ago, as a college professor, the writer used to walk down town for lunch with a fellow intellectual. On the corner was a livery stable run by a man named Warren. As an adjunct to the livery business the old man conducted a hay and feed store. I can remember our satirical and superior comments on Mr. Warren's profession. "What a job, selling hay and feed! What interest can life hold for such a man?"

Later a bad physical breakdown forced the writer into outdoor work, and he finally drifted into the logging and lumber business in a backwoods district of the south. Logging southern swamps was essentially a proposition in mud, mules and negroes. We found it economical to buy feed for the mules in carload lots. Occasionally we would let a local farmer have a few bales of hay or a bag of bran as an accommodation. One evening in

a country hotel I overheard a drummer ask the landlord what my line of business was. "Hay and feed," replied the boss.

So it was that in the space of ten years, by a process of involution, we had fetched a circuit and come round to the despised profession of Mr. Warren. And the curious thing was that we had come to like the hay and feed business and to find more real interest in it than in trying to teach raw college students something about Attila, the Hun, and Theodoric, the Ostrogoth.

If one's own little business teems with interest, the complex business of international trade fairly boils with it. Somebody has yet to write the epic of romance in business. The inventive genius, the passionate endeavor, the venturesome courage of the race are built into the unfolding drama of world trade. The great epic poems of the world may be counted upon the fingers of one hand. One of them is Homer's *Odyssey*. Its spirit is the spirit that animates trade. Adventure, romance, courage in fronting an unknown future, a breathless trembling on the verge of the unexplored.

There gloom the dark broad seas, my mariners,
It may be the gulls will wash us down,
It may be we shall touch the Happy Isles
And see the great Achilles whom we knew.

We know something about the mighty influences which have shaped world trade in the past. How in the days of antiquity, it centered about the Mediterranean. How one boom city after another, Tyre, Corinth, Carthage, waxed and waned. The Adriatic has been described as a bitter sea. We can think of the Mediterranean as a tired sea, its shores littered with the wreckage of great commercial booms. Singularly enough, we understand less clearly what is going on in the world trade of our own day. If a man had the mental grasp and an amplified vision, he could write a 3-pound book about the changes which are taking place beneath our eyes,

changes of which we are only dimly and vaguely aware.

As to the future, who of us can pierce the veil and hazard

more than a guess as to what is to be? What man can look forward and envisage what lies beyond the veil of the years? As the Mediterranean stage of world commerce yielded to the Atlantic, is not the Atlantic in turn destined to yield to a Pacific stage? Similarly as Italy yielded to Spain, Spain to France, France to England, will not England in turn yield to America as the Pacific tends to become the theater of the world's trade?

We are too close up to the picture to grasp its significance. The great revolutions in world commerce came with the voyages of discovery which revealed new lands and new waterways hitherto unsuspected by the civilized world. From the standpoint of trade the field of geographical discovery has been pretty well exhausted. There are no more new worlds to conquer. But we have entered into a period of inventive achievement and mechanical performance which is destined to be not less influential than geographical discovery.

An Era of Scientific Triumph

WHAT the explorer and merchant adventurer could not do, the mechanical engineer accomplished in cutting the Suez Canal. The Suez Canal, with its short cut to the Indies, provides a throwback to the old era of Mediterranean commerce. The Panama Canal is another artificial influence of the first magnitude. Fifteen important Pacific countries are brought closer to our Atlantic frontage by the canal. In 1913 our trade with these fifteen countries amounted to \$460,000,000. In 1923 it had risen to \$1,533,000,000, or an increase of 233 per cent, while our trade in the same interval with other parts of the world had increased but 70 per cent.

What is now proposed? An artificially constructed international waterway that will conduct ocean-going ships by way of the St. Lawrence and Great Lakes into the heart of the American continent. Let anyone who

can estimate the commercial reflexes upon rail carriers, Atlantic ports, and the direct transport of wheat, lumber, steel and hog products to Europe without breaking bulk.

Generation after generation, the currents of world trade have been determined by geographical exploration and discovery. Civilized humanity has now appropriated all the corners of the habitable world, thus commercially marking the end of an era. What now chiefly determines the currents of world trade and the commercial influence of particular nations is not the exploration of the globe but the systematic exploration of the universe, which is only another name for science itself. America is winning its way to a commanding position in world business through engineering and mechanical genius, just as Germany, before the war, was winning its way toward primacy through achievements in the field of chemistry.

A defeated pugilist or politician sometimes stages a comeback. Modern science is giving communities, commodities and occupations throughout the world a chance to come back. A good illustration of a possible geographical comeback is Ragusa, a sleepy, decayed little port on the western Adriatic. Vasco da Gama's discovery of an all-water route to the Indies killed Ragusa which, with Venice, depended upon the old East Indian trade routes for its prosperity.

Where your argosies with portly sail
Do overpeer the petty traffickers

writes Shakespeare. Argosy is a great merchant ship from Ragusa. Now comes a project directed by American engineering genius to construct a broad-gauge railroad some 400 miles from Belgrade, the capital of Yugoslavia, diagonally across the country with its Adriatic terminal in the vicinity of Ragusa. It is not unthinkable, therefore, that Ragusa may once more prove the gathering place for great merchant fleets just as Alexandria, having sunk into decay, was revived by the engineering skill that constructed the Suez Canal.

On the commodity side, science is perpetually boxing the compass and coming round to where it started from. Cotton seed and coal tar wastes, which fifty years ago were shovelled away as so much dross, are now turned to precious account. The lumberman cuts down the primitive forest, leaving the land a hideous desolation. Agriculture next comes and turns the blot into a flowering garden. The farmer may be succeeded by the miner, who, boring into the crust, brings up something more precious still in the form of coal, iron or petroleum. Or in our swift moving western civilization, grazing land is turned over to arable farming with agriculture yielding in turn to the more

profitable efforts of industrialism. Volatile naphtha, the thing which was formerly esteemed the least valuable of the petroleum products, has now become the core of the industry, while kerosene, the primitive product of value, is devoted by human ingenuity to strange and hitherto unsuspected uses. A man may not only illuminate his dwelling with kerosene as in the beginning, but he may use it to heat his house or cook his dinner.

Commercial interplay stands in direct ratio to the complexity of civilization. The life of the savage is simple; civilized man is a complex of wants and aspirations. While the distinction is not exact, we may regard the savage as a man presided over by his belly while the civilized man is presided over by his brain. In the one case the stomach may be said to direct feet and hands to go from place to place and to lay hold of food pleasing to the stomach. As man emerges from primitive savagery the instinct of cupidity develops, leading to the acquisition of wealth. Curiosity, the foundation of all knowledge, emerges. Finally the esthetic instinct, the inspiration of all art, finds play.

Enter the Business Crusader

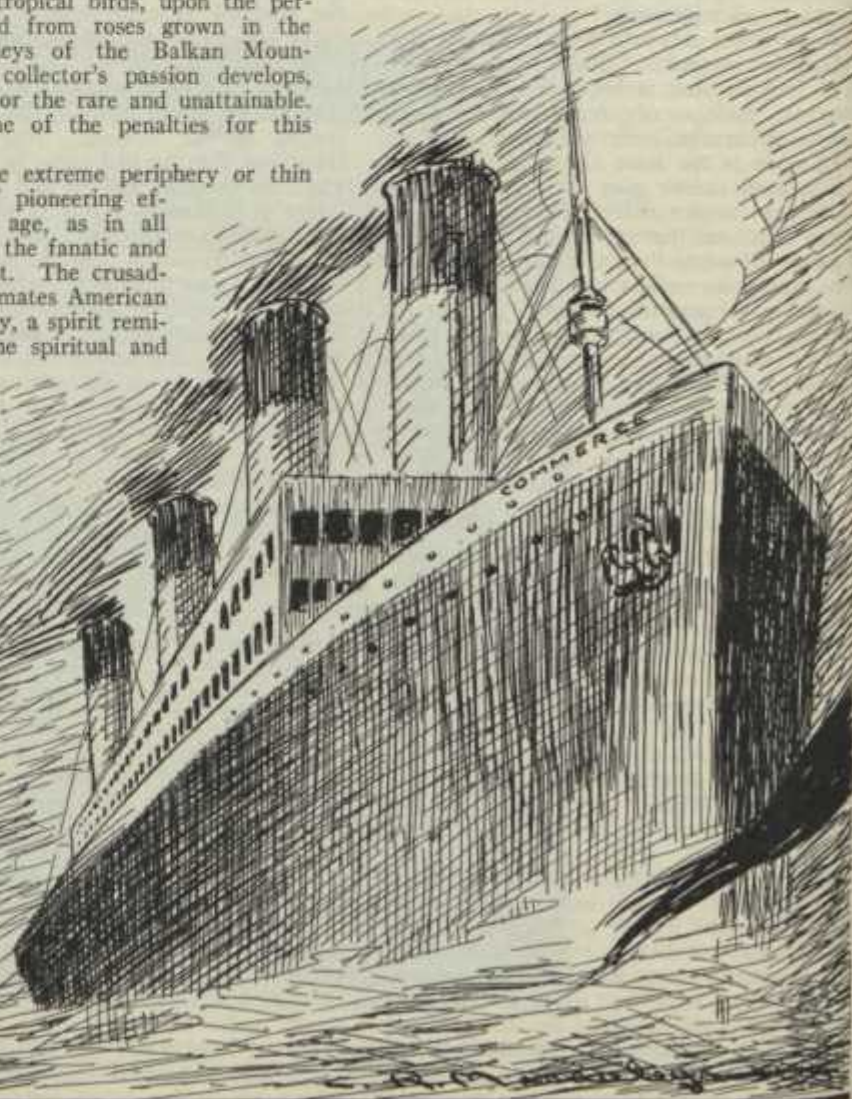
ALONG with these newly developed tastes a thousand fresh wants and desires stream out fan-like into infinity. It is not merely that the stomach is to be filled, but man must ransack the ages and spoil the climes to minister to the demands of taste, fashion, luxury and caprice. The highly cultivated brain confers a value upon rare orchids flowering in the upper reaches of the Amazon, upon the plumage of tropical birds, upon the perfume distilled from roses grown in the secluded valleys of the Balkan Mountains. The collector's passion develops, the passion for the rare and unattainable. Unrest is one of the penalties for this wider life.

Out on the extreme periphery or thin outer rim of pioneering effort in this age, as in all others, stand the fanatic and the enthusiast. The crusading spirit animates American business today, a spirit reminiscent of the spiritual and emotional enthusiasms which in bygone ages have

swept over the world. Hordes of men, women and children, sweeping in a passionate effort to the Holy Land and breaking fruitlessly as ocean foam against the steely resistance of the infidel Turk—the Crusades, marking the greatest effort in the history of human enthusiasm, failed of their objective but established new trade routes, awakened Europe out of the lethargy, indifference and ignorance of the Middle Ages and laid the foundations for a new social and political order. It is not so much for a man to possess ideas as to be possessed by them. Such are the men who become leaders and pioneers.

In the early days of the Italian revival of learning, a certain Ciriaco of Ancona posted feverishly from one town to another exhorting and instructing his ignorant and indifferent fellow countrymen. "What's your mission?" they demanded. "I go to awake the dead!" he replied. At the time of the yellow fever epidemic Dr. Benjamin Rush drove furiously through the streets of Philadelphia in his gig crying out, "Purge and bleed all Kensington!" Religious and intellectual enthusiasts, fanatics and crusaders the world has always known, but here in America we have come into the age of commercial and business crusaders. The thing is so close to us we are hardly aware of it. But this spirit is proving a winning quality in American business and the like of it the world has never seen before.

Carlyle defines religion as "The thing a man does practically believe, the thing a man does practically lay to heart, and know for certain concerning his vital relations to this mysterious universe and his duty and destiny



therein." This would properly describe many a business man's preoccupation with his job. Business hasn't supplanted his religion, but he puts into business a quality of spiritual devotion which in earlier ages was displayed only in the field of religion.

Thirty years ago a crowd gathered at a fire in the city of Boston. The fire was put out in a jiffy, but before the crowd dispersed a long-haired man mounted a convenient platform known as a "stoop," after the local manner of speaking, and began handing out packages of a patented food product while he bellowed, "What you need is wheat. Eat more wheat!" This man was Henry D. Perky, inventor of shredded wheat biscuit. His creed was wheat. Men are what they eat, he reasoned. Hospitals are overflowing and people are dying of cancer because they eat wrong foods. Folks called Perky a crazy food fanatic. No doubt he was an extremist, but he was possessed by an idea which turned him into a crusader. He made some millions of dollars incidentally, but he never estimated success that way. He succeeded because he believed in his product and, having dreamed of shredded wheat, he made his dream come true, and the great enterprise which he founded lives on after him.

We have here in America the world's mammoth paint man. He came up from the ranks and is now managing the world's greatest paint organization because he believed in

paint. His corporate device is that of the globe spilled over with paint, dripping with paint. The idea of paint has so possessed him that he has become paint incarnate. Zeal for paint is the zeal of the crusader and it has carried American paint to the far ends of the earth.

Another enthusiast makes tags, and tags have made him, but this is only part of a larger undertaking developed in the spirit of the crusader. His great factory has been transformed into a human laboratory for working out new social relationships. Every man who has demonstrated his capacity to participate in the creative part of the enterprise is called also to participate in its management. Things other than tags are all in the nature of branch line excursions from the main trunk line which carries the streaming traffic of his great enthusiasm.

An Age of Thinking "Fanatics"

HERMAN WESTINGHOUSE has more money than he can spend, but, being possessed by the idea that electrical energy may be turned into a thousand new channels to serve the myriad wants of the human race, he cannot do other than live according to his creed and his name is found upon electrical devices of all the diverse peoples of the world.

So it is that Heinz thought in terms of pickles and his enthusiasm lifted him from the low level of a money-getter to the heights of the crusader, and one may read the legend of his success in something like 57 different varieties of language. Another masterful enthusiast became possessed with the idea that American business required a mechanical accountant in every shop. What was ideally desirable became, under the impulse of his crusading spirit, a practical achievement, and American cash registers

are found in corner groceries all over the world. Howard Coffin turned his genius to building auto-

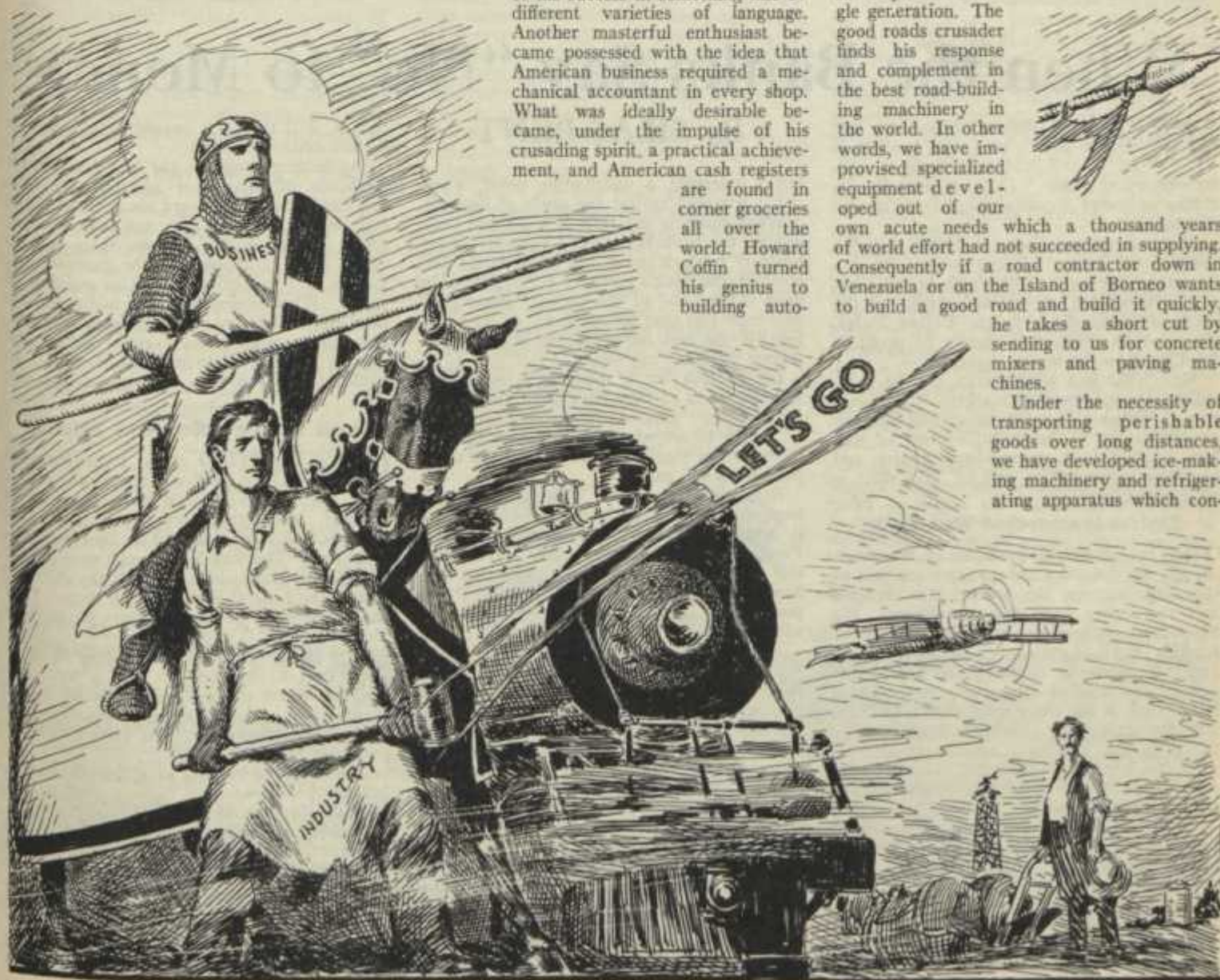
mobile engines. He was one of the most successful of the pioneers in the American automobile industry. He has plenty of money and for more he does not care. He is working just as hard and just as feverishly to adapt practical individual locomotion to the air as he formerly did to adapt it to the level of a road.

The very rawness and newness of the country feed the flame of the business enthusiast and commercial crusader. The quick growth of our great cities surrounds and darkens the industrial plants. Some "crazy fanatic" suggested constructing factories mostly of glass. Experts deemed the project an architectural impossibility. There was the heating difficulty and the structural weakness. As well try to construct a wooden ship without keel or rib timbers. Yet the thing was done because the exigencies of American business demanded it. Imitation being the sincerest flattery, factories of this character are now going up on the outskirts of Paris, London and Berlin.

The popularization of the automobile has compelled us within the space of twenty years to improvise thousands of miles of stone highways. In earlier ages the construction of such roads would have required the work of centuries. The best roads in Europe date back to the time of the Romans. What Europe has taken a thousand years to do we have accomplished for the most part in the

short space of a single generation. The good roads crusader finds his response and complement in the best road-building machinery in the world. In other words, we have improvised specialized equipment developed out of our own acute needs which a thousand years of world effort had not succeeded in supplying. Consequently if a road contractor down in Venezuela or on the Island of Borneo wants to build a good road and build it quickly, he takes a short cut by sending to us for concrete mixers and paving machines.

Under the necessity of transporting perishable goods over long distances, we have developed ice-making machinery and refrigerating apparatus which con-



stitute in this field a new manufacturing epoch in the history of the world. American business as a whole is continually bursting its old shell, demanding quicker and more efficient methods. The volume of work heaps up and threatens to slide down like an avalanche and bury our myriad workers. Out of this condition we have evolved highly specialized business tools such as typewriters, cash registers, adding machines, dictaphones, office furniture. Our ingenious machines stand above competition and sell on a quality basis through the world.

We have turned our genius and enthusiasm to the business of making tools which will provide tools for making business. We produce machine tools which find customers in the four quarters of the globe. As a result therefore of our genius for improvisation responding to our necessities, we can sell the specialized products of our factories at a profit all over the world as against the disadvantages of high wages, long distance negotiation, foreign tariffs, alien languages and ocean freights. We have gone a step further and are offsetting the competitive disadvantages of the highest wages paid by any nation in the world by the economies effected through our technique in mass production.

Modern science shatters to fragments the old-established industrial order. No idea is so deeply inwrought in the thought of the old world as the idea that a handmade article is necessarily better than a machine-made

product. The technique of American manufacturing is reducing this old formula to nonsense. In the field of artistic creation the human being is better than any machine, just as the human voice is potentially the best of all musical instruments. But certainly we build by machinery other machines which are not only cheaper but actually better than machines built by hand. Our manufacturing technique is rapidly absorbing enormous areas hitherto occupied by handicraft. We sell American machine-made shoes in Italy in competition with handmade Italian shoes not because the American shoe sells cheaper but because it is a better shoe. One finds in the city of Naples that the term "scarpa Americana," or American shoe, means an excellent shoe whether the piece of footwear was actually made in America or not. That is a fine tribute to American manufacturing technique.

The shores of the Mediterranean are littered with the relics of commercial booms. The active feverish life that beat so mightily about these shores is now largely extinct. Memories survive in fossil words symbolizing fullness of commercial life. The word *alcohol* is a relic of the Arab boom; *muslin*, reminiscent of the Mosul boom; *damask*, of Damascus; the word *Argonaut* suggests fifty-oared Greek ships built of pine; *argosy*, the huge merchant vessels of Ragusa; the French word "*phare*," a lighthouse, relic of the world's first great lighthouse built on the Island of Pharos off the port of Alexandria; our pawn-

broker's three gilt balls, the device of great Florentine bankers of 500 years ago; bills of exchange recall the persecution of the Jews in the Dark Ages and their art of making wealth invisible and transporting it from one place to another unperceived; the robust honesty of the Esterlings or easterly peoples, trading about the shores of the Baltic and the high quality of their wares memorialized in the word "sterling."

American scientists discover on the edge of the Gobi desert fossil eggs of the extinct dinosaur. These huge saurians, rejoicing noisily in their fruitless lives, disported themselves on the Mesozoic sands some ten million years ago—booms that have waxed and waned. The lampadephore, or Greek torch bearer, sinking exhausted in the race, passed on the sacred fire to fresher and stronger hands. Western civilization, with its commercial life keyed to the highest intensity, energetic, pushing, adventurous, ever seeking to push aside the mysterious veil that divides the known from the unknown. The charm of life is mystery. Mystery is romantic. The romance of world trade! That which lies ahead of the explorer, the merchant adventurer in all ages, the lure of the unknown, romance, mystery—mystery that ends in either peace and plenty or failure and defeat.

Trade flying over a thousand seas with her spice and her vintage, her silk and her corn. Desolate offing, sailorless harbors, vanishing populace, wharves forlorn.

When the Banks Say "No" to Money

By SILAS BENT

WITH more dollars than there are jobs for the dollar to do, bankers in the United States confront an extraordinary situation. They are actually declining to accept deposits except from regular customers.

Most of us are likely to think that the banker will accept all the money he can honestly come by, and as a rule he will; but as this is written, money and credit are the cheapest commodities in the United States. They are so cheap that there's no profit in handling them in larger quantities.

Mr. Dollar is a workman, and he is up against an overcrowded market. Unemployment of labor is a symptom of bad business conditions; so is the unemployment of dollars. Labor is a commodity; money and credit are commodities, and of them there is an oversupply.

Shelves Overstocked With Cash

THE banker has his problems of inventory, of supply, market and management, just as the manufacturer, the jobber, the exporter and the logger have these problems. We have been inclined to make a mystery of banking, but it is a plain business proposition, and it is dependent for its prosperity on the general condition of other businesses. There is no truth in the envious belief that bankers wax fat while their customers starve. The falsity of that illusion is clearly revealed by what has been happening; but there may be some relief by the time this article reaches the reader.

When the banker's problems are compared to the manufacturer's, it must not be supposed that there is a precise parallel. He does not manufacture credit. He deals in it, as the manufacturer of plows deals in them. The difference here is that the manufacturer first fabricates his commodity from raw materials. The bank is not a factory

but a reservoir, a distributing point, where credit is stored against the needs of business.

When business generally is brisk and prosperous, the bank has a rapid turnover; when business is slack, as it has been during this summer, the bank's turnover is sluggish. The bank is the pulse of the nation. Many business men feel that its turnover, or its pulse-beat, is the best barometer of business conditions available anywhere.

Let us look for a moment at some outstanding facts as they have been visible during the latter part of the summer, and then let us try to see what they mean in business terms; rather than in the flubdub of the newspaper financial page.

Banks in New York, Chicago and other large cities began declining deposits because it was difficult to keep funds employed. From Chicago came word early in July that this process was under way, and that one bank there had refused a \$10,000,000 deposit while inducing another customer to withdraw \$5,000,000.

No Outlet in Federal Reserve

NONE of the large banks owed considerable sums to the Federal Reserve. In active seasons they turn over to Federal Reserve Banks paper on which they have lent money, and rediscount it to produce additional funds for the accommodation of their customers; but funds were so plentiful that this process was not in evidence. On the contrary, most banks had paid their balances.

For a while banks outside New York shifted large corporation balances to New York there to be lent on call. Only for speculative purposes can call money be employed. It must be paid on demand, and is the most liquid form of bank investment;

that is, it is the form nearest actual cash in its immediate availability.

But lending money on the New York Stock Exchange afforded poor pickings, and the movement New York-ward soon ceased. The rate on this form of loan was only two per cent. It was so low because there was so much credit available for the purpose. It may be said that call money is an overflow of credit. When money is "easy" and funds are plentiful, call money can be cheaply obtained. Sometimes, when money gets "tight," the interest rates run to ruinous figures. In panics they have been as high as 150 per cent.

Bond Buying Offers One Solution

COUNTERACTING this movement of funds to New York was a tendency of big New York banks to shift their balances to Chicago, where the interest rate on active balances was 2 per cent and on time deposits, 3 per cent. The New York banks were paying but 1¼ per cent, which was half the discount rate of the Federal Reserve Bank there. Half the "bank rate" on such deposits is the New York custom.

This rate of the Federal Reserve Bank in New York—3 per cent as this is written—was the lowest of any "central bank" in the world. None of the twelve Federal Reserve banks had a discount rate of more than four per cent.

The bond market was exceptionally strong, because big banks were putting their money into bonds and so were big corporations. Ordinarily we think of a bond at four or five per cent as merely an anchor to windward, a place of safety for surplus funds. But you can see that with bank rates so low the interest on good bonds became attractive, aside from the safety of the investment.

Perhaps never in this country had banks been so cautious with their loans when credit

and money were so plentiful. Some of them were sending funds abroad, where they could earn 7 per cent. The domestic market being glutted, they looked abroad; but only when such loans were amply covered by warehouse receipts for commodities in transit to the consumer, and further guaranteed by foreign commercial banks. The sums therefore were not large. The banker was face to face with the same exporting situation as many American manufacturers.

Although the banks were virtually "stuffed with money," banks were not lending freely. That should be apparent from the fact that they were declining deposits, because as a rule a bank loan becomes a deposit; the borrower does not take out the currency, but leaves it there to be checked against. But the reason for it is not yet apparent. The reason was that bankers were thinking more of the general interest than of their own interest in picking up profits.

"Cheap Money" Theory Disproved

IT WOULD not be in the interest of good business or of good banking to employ bank funds, in such a period as is just passing for the promotion of dubious enterprises. The temptation when money is easy is to lend it easily, and the banker is always on guard against it. There is usually a seasonal relaxation in the summer, but this summer it was much too pronounced to be merely seasonal. The truth was that business touched bottom, and is only now on the rebound.

The midsummer decline in business, it should be noted, occurred in spite of the fact that credit was plentiful. This is food for thought, because we still have with us "cheap money" advocates who believe that plentiful currency always means prosperity, and that "tight" money always means a recession in business.

I read not long since a book by an Englishman about the agricultural depression in this and other countries in which he worked the quantitative money theory to its last gasp. He thought you need only apply the brake of higher interest rates when business was on the upgrade, and release the pressure when it was on the downgrade, to keep things on an even keel right along.

It would be a happy state of affairs for everybody concerned if some simple mechanical device like that could be applied to our complex industrial organization.

The truth is that it is only at the top of a boom or the bottom of a depression that interest rates are an effective factor in control. And when business touches bottom, as it did this summer, the most the banker can do is to offer credit so cheaply that worthy enterprises can take advantage of it.

Now a good market for stocks and bonds tends to revive business and stimulate in-

dustry. Low rates, as we have seen, set up such a market. But it is not the banker's intention to revive bad business nor stimulate unsound enterprise. That is why bankers were so canny with their loans in the summer. They waited for the normal course of the cycle to run: the course toward rising commodity prices, and a general demand for credit to buy on the rising market—the conditions which, if they are not apparent when this is printed, will soon become apparent.

The banker knows when the manufacturer and merchant and exporter and logger are prosperous by the activity or sluggishness of his own turnover. In times of prosperity the rate at which deposits are checked in and out increases; in times of depression it decreases. This does not merely mean that the actual amount of deposits rises and falls, but that the actual number of checks drawn varies in a remarkable way. Bank clearings do not tell the story satisfactorily because they are published only annually or quarterly. He has all along been able to watch the turnover, or deposit activity, in his own bank, if he had the wisdom to see; and for a year or more the Federal Reserve Board has been supplying him with figures at weekly intervals covering the whole country, or a sufficient part of the whole country to afford a fair sample. This is an excellent barometer of business.

All summer that barometer was "low." The banker bided his time, in the interest of everybody, until the barometer should show other signs. The Federal Reserve banks actually were not earning dividends, and many others were not doing much better, but they took their medicine along with all business.

The situation was complicated by the inflow into this country of gold, which we do not need, from countries which do need it. In midsummer of last year (1923) it looked as though this movement of metal was about at an end. We had been importing more than we had been exporting for six months, and it seemed at last as though we were going to have to ship gold to pay. We had more of it than was good for our banking system, just as you can get too much of a good thing to eat. But the tide turned, we began sending more goods out of the country than we were bringing in, and so the yellow flood continued even during our summer depression.

The importations of gold were a leading factor in the plethora of credits and deposits in the New York banks. The amount sent from Europe during the year, up to the first

of July, was more than \$197,000,000. It is impossible within the scope of this article to discuss fully the effects of the gold movement. It is enough to say that when a member bank of the Federal Reserve System gets gold, it sends the metal to its reserve bank, and may thus increase its loans or investments from seven to fourteen times the amount of the gold's value. In central reserve cities, banks must hold as reserves thirteen per cent of their demand deposits, in reserve cities ten per cent, and in country banks seven per cent; while all banks must keep reserves of three per cent of their time deposits.

Our swollen stock of gold may be compared to an undesirably large inventory. But the credit expansion, or commodity output, which it made possible, could have been carried even further than I have indicated, if the reserve banks had exercised their privilege of increasing their own loans until the outstanding liabilities were about two and one-half as much as their reserves. Instead, they turned over the gold to the Treasury and received gold notes for it, instead of using their own notes. This helped to limit credit expansion.

Cautious Policy Prevents Crash

IF BANKERS generally had an eye to the main chance instead of an eye to sound business conditions throughout the country, it is easy to see that our surplus gold supply and the present easy money conditions might have brought the erection of a towering pyramid of credit, with over-speculation and a frightful crash later on. What the banks are doing is to take care of all legitimate demands and await the time when the overstock of gold can be exported safely for use—or consumption—abroad. That will happen just as soon as economic conditions there become sounder. They are not making the gold the basis of ill-advised domestic loans, in which case it would be an actual menace to our well-being; but they are holding it for safe use where it can help American business instead of hurting it.

This sounds a little as though I thought bankers were an isolated and angelic part of the business community. They are not that, Heaven knows! They are business men, sensitive like all other business men in the pocket-nerve. And when they are looking out for the interests of the manufacturer, the merchant, jobber, exporter and logger, they are looking out for their own interests, because their problems are much the same.

Silas Bent has gathered from Walter R. Ingalls, engineer and economist, some striking views on where the wealth of the United States rests. We've got more money—that is, more dollars—but are we as rich as we were ten years ago? That's one of the questions Mr. Ingalls seeks to answer in an article by Mr. Bent in the November Nation's Business.



What Is a Freight Rate—and Why?

By ROBERT S. HENRY

Of the Nashville, Chattanooga and St. Louis Railway

FREIGHT rates, to the uninitiated, present an amazing patchwork, without apparent reason. I believe, though, that study of the history of the freight rate structure of the United States, with all the changing conditions it has met, will show that there is a certain philosophy underlying the existing system.

A railroad freight rate is a result of conflicting commercial forces, present and past, designed to make a certain commodity move to a certain market, and to move by a specific rail line instead of by some other rail line or by water.

There is blithe talk of putting freight rates on a "scientific basis." The fact that after twenty years of close governmental regulation, with constant adjustment and readjustment of rates, there is still a demand for such a basis is enough to indicate that the job isn't one to be taken on lightly. One difficulty is that no one has yet given a definition of a scientific basis which will satisfy competing producers, receivers or carriers of freight when it comes down to particular commodities moving from one particular place to another.

Offhand it does seem that the simple way would be to weigh, measure and value the freight, measure the mileage and make the rate by a process of arithmetic. So it would if there were no such things as competition, diversity of routes, and variation in the cost of transporting goods. These factors, and not so much an overplus of original sin in railroad traffic men or a native tendency toward perverse complexity, have put a somewhat puzzling variety into our freight rate structure.

This competition takes varied and subtle forms. Competition between rival railroads is obvious. Competition between railroads and other ways of moving freight is almost equally so. More subtle, but an even more potent factor in rate making, has been the competition between different producing and distributing centers, or between products and their possible substitutes.

Railroads, like other businesses, must take in enough to make a living. The early railroads soon found that the overhead expense of a railroad was fairly constant whether they moved one train a day or a score. Modern accounting has shown that this relatively constant overhead is somewhat more than half

the railroad's expenses. To meet this expense, perhaps not so clearly understood in the early days as now but felt, nevertheless, the railroads had to carry a volume of business fairly close to their capacity. To get that volume, they had to have a sufficient share of the business at the highly competitive points—which usually meant meeting a water rate.

At the same time, the road, if it is to make a living, must charge an average rate high enough to somewhat more than cover its operating expenses and fixed charges. And so it resulted that the points not affected by competition, whether that of other transportation lines or of other markets and products, were charged rates higher than the competitive rates. In theory, and now as a requirement of law, rates to competitive points which may be lower than those to less distant non-

ever, they early came into competition with one another, as well as with water lines. Rates through the southeast, with its numerous ports and navigable rivers, reflect both these factors. Rates from Central Freight Association and Trunk Line territories (roughly, the territory between New York and Chicago north of the Ohio) to southeastern ports for many years were lower than rates to interior points, even though the latter may be closer to the shipping point by all-rail routes. The reason has been the active and effective competition of the trunk line railroads, with their greater volume of business and lower percentage of overhead, making through routes in connection with coast-wise steamers through Baltimore or other eastern ports. The railroad lines running through the south had to meet the competition or go out of the business.

The reduced rates at the ports were reflected in the rates to interior points, near the coast, which were usually made as a combination of the port rate plus the local rate to the interior points. The effect has been to secure rates for the interior points somewhat lower than they would have had otherwise—a fact which brought little comfort to the merchants of the interior cities, inasmuch as they were paying higher rates than those to the ports, which were more distant by all-rail routes.

Market competition, the most potent of all factors in departures from the long and short haul principle, soon developed. As the network of railroads grew and opened up more and more territory, ambitious communities began to reach out for wider markets. The railroads serving them, looking for traffic to increase their volume, usually co-operated by making a rate that would help, sometimes regardless of whether or not the newly

created or diverted traffic paid the actual expense of handling. Efforts of one market with its railroads along this line were usually met by competing markets and their railroads, and thus a whole new system of depressed rates would come into effect.

This was true not only of markets but of producing areas. Railroads serving various coal fields, for instance, usually made (and still make) rates that would enable their coal to get into the great consuming centers on terms that would enable them to compete with mines served by other roads. Idaho



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A SECTION of the Congressional Library? No, just two of the thirty-one huge files in the Public Tariff Room of the Interstate Commerce Commission at Washington where are recorded the millions of freight rates in force. Here you can learn, for example, how much it costs to ship a carload of potatoes from Oshkosh to Tampa. Merely multiply this rate by all the shipping points there are in the country, then multiply that by the total of commodities carried by railroad and steamship lines, and you have a problem in geometrical progression that will puzzle even the world's champion accountant and the lightning calculator of vaudeville.

competitive points must be in themselves "compensatory"—that is they must be high enough to more than pay the additional expense of handling the business, but need not pay their full share of the overhead.

Coming into a world where boats dominated commerce, and faced with the necessity of getting a share of business at the port and river cities that would enable them to operate more nearly to capacity, the early railroads quite naturally made the rates at the competitive water points whatever it took to get the business. As railroads developed, how-

and Minnesota are both producers of potatoes. Texas is a large consuming market. Rates on potatoes from Idaho to Texas points are made no higher than those from Minnesota, although the distance is 50 per cent greater. To do otherwise would simply cut Idaho out of the market and its railroads out of the traffic.

Not only is there competition between markets and producing centers; there is also competition between commodities and their possible substitutes. People can burn wood instead of coal, for instance, and where the wood can be had more cheaply than its equivalent in coal they will do it. Locally hauled wood was a large factor in making coal rates in the early days of coal mining and railroading.

At the same time that such forces as these were pounding some rates down, the revenue necessities of the carriers were holding rates at local or intermediate stations up above the level at competitive terminals, and the local stations didn't like it.

This resentment, multiplied by as many towns as felt they were being discriminated against, was one of the things that led up to the original Interstate Commerce Act. In the fourth section of that act the railroads were prohibited from charging higher rates for a shorter than for a longer distance, over the same line in the same direction, where the shorter haul is included within the longer, under substantially similar circumstances and conditions. That last clause has since been eliminated and other changes have been made.

Relief for Carriers Provided

THE act recognized the traffic and revenue necessities of the carriers, though, and the fact that a rigid enforcement of the section in all particulars would simply eliminate less favorably situated routes from that share of the competitive business which they must have if they were to continue operation, so the proviso was added that the Interstate Commerce Commission might, for special cause shown, give carriers relief from a strict application of the rule and allow them to make higher charges for shorter than for longer hauls. In granting this relief the commission must take care that the terminal rates are themselves reasonable and not so low as to put a burden on the intermediate traffic.

In a recent report the commission announced that in thirteen years nearly 13,000 applications for relief from the operation of the fourth section had been filed with it by carriers. Many of these applications covered whole bodies of rates. Many, too, have led to complaints and to long-drawn-out controversies, such as the great transcontinental rate case, or to general readjustments of whole rate structures, such as that now in progress in the southeast.

A glance at the history of the rate adjustment of one interior town will show the sort of thing that, to greater or less degree, existed all over the United States when the Interstate Commerce Commission was given jurisdiction over rates, and how it came to pass.

Consider the case of Americus, Georgia, 190 miles from the South Atlantic coast and not on a navigable river. As early as 1879 the railroads which entered Americus from the west, interested in hauling goods there from points north of the Ohio River, had reduced their rates so as to meet the rates made by the eastern lines through their seaport connections, Savannah and Brunswick. In the eighties, however, the merchants of Americus decided that they could get a lower rate by

building a 60-mile railroad to a point on the Ocmulgee River and putting in a boat line there to Brunswick. They did, and for a time captured the business. Whereupon the all-rail line from Savannah and the east, and the all-rail lines from the west, saw the cut and met it, restoring uniform rates to Americus by all routes.

Such forces as this resulted in the creation of many hundreds of such adjustments. Frequently competition between these points resulted in equalization of rates among themselves and the formation of "rate groups" such as the Colorado Common Points, Montana Common Points, the Virginia Cities, the Shreveport Group, the groups of river "crossings" on the Mississippi, Ohio and Missouri rivers, the various "percentage groups" in the territory between New York and Chicago and St. Louis, and scores of others not so widely known.

The distinguishing characteristic of such groups is that all towns in certain territories subject to the same competitive influences have the same rates, quite regardless of comparative distances among them. Rates to and from Denver and Pueblo, Colorado, for instance, are the same regardless of the fact that some of the lines coming from the east reach Denver first and proceed to Pueblo, while others first come to Pueblo and then go on to Denver. Competition makes the rate the same in either case.

There are many factors in rate making beside distance, but distance is coming to be more and more of a test, resulting in the wiping out of many fourth section violations—"violations" being used in the technical meaning of permitted departures from the long and short haul principle.

This growing tendency has found its latest expression in the Transportation Act of 1920, in which the authority of the commission to authorize departures from the fourth section is restricted in two very important particulars. In both cases, however, the limitation by Congress on the power of the commission is somewhat in the nature of a legislative sanction of a rule of action to which the commission was already committed.

The Gooding bill in the last Congress, which would practically make the fourth section absolute except where a longer or more circuitous rail route might be granted permission to meet the rates of the shorter line, is not in accord with the present general position of the commission.

The Old Rail and Water Feud

THE COMMISSION, headed by Commissioner Campbell, himself a citizen of the intermountain territory, dissenting, has expressed very strong objections to the idea of taking all discretion out of the administration of the long and short haul clause. They point out that, while the pending bill is aimed at the intermountain situation, it will profoundly affect rate and industrial adjustments throughout the United States, will result in the creation of rate inequalities in other territories, and will make it impossible for the commission to grant relief to certain short and weak roads which are highly essential to the territories they serve, but which for operating reasons can compete for business at points also served by stronger lines only on the basis of making rates to competitive points lower than rates to noncompetitive local points.

Under the law as it existed prior to the Transportation Act of 1920, the commission might take into consideration competition of any sort as a ground for allowing depressed rates. That act, however, prohibited the commission from granting relief from the opera-

tion of the long and short haul clause because of "merely potential water competition." It also limited the relief that might be granted because of circuitous rail competition.

Potential water competition has been a bone of contention for a long time. The cities which enjoyed lower rates because of being on navigable rivers, whether the rivers were actually navigated or not, vigorously urged that higher railroad rates would mean that the business would move by water. Railroads serving these cities and eager to secure the competitive business there generally agreed with this position.

Until December 2, 1919, when the Memphis-Southwestern case was decided, the commission had sustained the lower rates at points where the water competition was too slight to actually set the rate, on the theory that higher railroad rates would cause the business to move by water. In practice, the immediate result has been earnest, even anguished, protest from many of the river points.

All river towns are in favor of boat lines, but some of them seem to yearn for them more as a sort of club with which to hit railroad rates over the head than as a real means of useful transportation.

However, the new attitude of the commission and the act, prohibiting reduction in railroad rates to meet merely potential water competition, will give competing water lines a chance to quit being "merely potential" and become actual, if rates are all that's holding them back. Some of the river towns, though, seem to prefer to keep their low rail rates rather than to trust to a problematical revival of water-borne traffic.

The Circuitous Route Problem

THE other important limitation in the Transportation Act of 1920 on the power of the commission to grant fourth section relief has to do with circuitous rail routes. The act has set a practical upper limit to the degree of circuitry which will entitle a long route to depart from the long and short haul clause, by declaring that a longer route which attempts to meet the rates of a direct line cannot charge rates higher than those at the competitive junction except at stations where the haul exceeds the short line distance between terminals.

Able bodies of rate experts, some representing the carriers and other shippers, are working in various sections to reduce the number and extent of departures from the fourth section. The commission has directed and will control the results of such work. One result that may be expected from the policy of the commission is that rates at local points will tend to decline, as compared with rates at terminal competitive points. This is a result that doubtless will meet with unanimous approval from the local points, as far as it goes. No adjustment will ever be entirely satisfactory, however, that leaves any long haul rates anywhere lower than the rates for shorter hauls included within them.

Fourth section departures, while responsible for many of the hotter controversies over rates, are not the only factors in the puzzling differences that exist. There are regions served by more than one group of railroads, where different levels of rates, made to meet varying general conditions, meet. At the place of meeting there must be an adjustment. Otherwise the business will move by that line having the lowest rates, leaving the other lines empty-handed so far as that particular region or its traffic is concerned. While these variations do not produce technical violations of the fourth section, in that they do not necessarily bring about situations where



higher rated short hauls are included within lower rated longer ones, they do produce some apparently anomalous adjustments.

The ideal of uniformity in freight rates is one that attracts. There have been numerous proposals for uniform distance scales of various sorts, some of which have been adopted in territories of greater or less extent. All the scales so far devised get into difficulties when they come to the border lands of their territories, the places where competition comes into play.

More than 85 per cent of all railroad traffic, probably, is competitive. That is to say that it has a choice of more than one route which may be taken at some part of its journey. The adoption of any rigid, uniform scale would force most of this traffic to use the shortest lines between points and would mean practically the end of competition between railroads today.

In fact, so long as there is competition in industry and business and variety in transportation routes, there doesn't seem to be any really practical way to make freight rates uniform. It might be said that the business should move by the shortest routes, leaving the longer routes to get along on the perhaps thin local business. Such a view overlooks the fact that before a railroad ever turns a

wheel there must be an enormous investment in its plant. To be built, to start operating and to keep it up, the railroad must find this money and must earn enough to pay for the use of it.

The Panama Canal, a great transportation machine, reported a net income of more than \$10,000,000 for the year ending June 30, 1923. If the operators of the canal had had to pay 4 per cent interest on the cost of it, however, this net would have been converted into a deficit of nearly \$8,000,000. If, in addition, it had had to pay taxes as railroads do, the deficit would have been as much as \$15,000,000. If the canal were regarded strictly as a transportation agency, without reference to its great value in the national defense, it would be seen that the taxpayers' contribution toward handling freight through it would figure out about 1.7 cents for every ton-mile of freight passing through.

Now the hard fact of the matter is that the railroads must pay interest and taxes on the investment required to produce a machine that will carry an average of more than 4,000 tons one mile for each man, woman and child in the country—and do it, incidentally, at a total rate about one-third less than the actual deficit per ton-mile on canal traffic.

Because some \$20,000,000,000 and more has been spent on a railroad plant, however, we are getting that volume of transportation service delivered by less than two million men, using the machine that inventive brains had conceived and invested savings had made possible.

But this great machine that must be built and be in existence before a railroad can start work is the sort of machine that can't be worked with any degree of efficiency unless it is worked right up to capacity. With in that limit any traffic that pays more than out-of-pocket operating expenses will help meet some of the tremendous constant overhead—unless putting in a reduced rate to get such traffic means reduction in all other rates down to an out-of-pocket operating expense basis. Thousands of trains of empty cars moving west across the continent pay nothing toward interest, taxes, maintenance of way, or operating expenses of any sort. They not only pay nothing—they cost money. In the long run this money comes out of the rates paid by interior points as well as ports, or else the railroad stops running.

Decreeing uniformity where there is no uniformity of natural conditions in a competitive commercial world isn't hard to do, but is well nigh impossible to put into practice.

To Cut the Waste of Unemployment

By HENRY S. DENNISON

President, Dennison Manufacturing Company

UNTIL recent years, the unemployment which regularly occurred in seasonal and cyclical business depressions, was considered, like time, tides and tithes, a factor above and beyond man's control. To assure the willing workman a steady job and to remove from his mind the deadening dread of unemployment, were once but the dreams of the idealist. Those dreams have become realities. Not only have practical ways been found to prevent seasonal unemployment, but measures have also been taken to minimize cyclical unemployment and to relieve the worker from its disastrous effects.

From an ethical standpoint, the employer's responsibility in the matter of unemployment can be argued interminably. But the problem has a practical side which must be immediately faced by all of us in industry. Already two states have considered bills

which provide for some form of unemployment insurance.

Whoever wishes to avoid compulsory unemployment insurance laws, must attack the problem constructively and attempt to work out some sort of practical solution. Unquestionably it is a heavy task, yet it is no greater than the tasks that American industry has done in the past, and done successfully.

The problem resolves itself into two major elements: first, the prevention of unemployment; and second, its relief. The first, by all odds, is the more important. Without a carefully worked-out plan for preventing unemployment, the cost of its relief would often be greater than a company could bear.

The fluctuation of employment due to sea-

sonal demand is always a bugbear to any business. Through it the working force is disorganized, capable employees are driven away or lose their keenness, and newcomers at the next period of increased production have to be trained at great expense. At the same time, that arch fiend, Overhead, collects his inexorable toll.

In the Dennison Manufacturing Company we have been able to show a marked reduction of seasonal unemployment by the adoption of certain definite practices. These practices were not put into sudden and complete operation but were tried out one by one, and extended when conditions made possible. Working gradually, we finally attained results which were un hoped for at the beginning. A statement of our procedure may be helpful in the way of suggestion.

As a first step, we modified our sales policy. Our salesmen urged purchasers of seasonal

merchandise to place their orders well in advance, and the assurances of delivery and of maintenance of quality on orders so placed were convincing arguments. The results of this campaign were most gratifying. Box production which, each fall, had overtaxed the factory only to fall off to nothing for several weeks after Christmas, was equalized. As a second step, we endeavored to secure non-seasonal orders with long delivery time. To do this required hard work on the part of the selling force. But the same arguments, as in the case of seasonable merchandise, at length bore fruit.

Having modified our sales policy, we then revised the planning of our work within the factory. The production of holiday and stock merchandise and of boxes and labels for packaging merchandise was planned a year in advance. By doing this, we were able to get most of our stock items made up and in the warehouse at times when special order

business was low, and to have our facilities free for times when special orders came pouring in on us. Further, this long range planning enabled us to produce on a schedule based on our production limitations, rather than upon the demands of delivery.

Besides these methods for decreasing the pressure of seasonal demands and of evening out the inequalities, we meet seasonal unemployment by conforming ourselves to it. We try to balance the decrease of work in one department against the surplus in another by transferring employees not needed in one line to another where there is work on hand.

But when we have devised ways and means for obviating seasonal unemployment we still have to face the more serious problem of eliminating, or at least relieving, the unemployment which follows the cyclical recession of the business tide. We have learned at no slight cost that in prosperous periods we must prepare for depressions. We have drawn many curves of our past experience. We pay close attention to the economic bureaus which give curves condensing the vital statistics of the present situation, and it is the duty of our research department to study and estimate just where we are in the business cycle.

In this way, we were able to make estimates that allowed us in January, 1920, when everything was overselling 60 per

cent, to make adequate preparation for the depression which struck us in November. This does not mean that we always are able to estimate exactly. We cannot expect to know precisely when the change is coming nor do we care, provided we hit it within a few months.

In making preparations to deal with cyclical business depressions, we have tried to place our purchasing upon a scientific basis and to apportion our advertising expenditures to meet the varying conditions of the market. Of the basic commodities which constitute more than half of our purchases, we plan to have smaller quantities on hand when prices are well above the normal line. On the other hand, we purchase a relatively larger stock of these items when their price is below the normal line. Though during wartimes, which are exceptional, these lines go to pieces, we cannot help winning on the long run on this policy.

Our advertising appropriations are made on a five-year basis, and the advertising manager is supposed to reserve his advertising appropriation in good times in order to have resources to call upon in hard times. It might be interesting to know that on one item on which \$17 was spent in advertising in 1919, over \$15,000 was spent during the depression in 1920.

But in spite of our most strenuous efforts to reduce seasonal and cyclical fluctuations, we cannot hope to escape periods when it is not possible to keep our full crew working.

For five years now, we have been experimenting with a plan to relieve unemployment when it does occur. During the period 1916-1919, we set



aside from our profits an unemployment fund; and in 1919 a committee composed of two members from our General Works Committee, representing the employees, and two members from the management, worked out the details of the plan which is now in operation.

This plan is frankly an experiment, and we have not had sufficient experience to give any final statement as to its results. Its purpose on the one hand is to protect from hardship those employees whose earnings are reduced by reason of unemployment. On the other hand, we expect by it to obtain better employees, to maintain a steadier working force, and to secure better work on the part of the employees due to their release from the fear of loss of income through unemployment.

The plan first provides that whenever there is a lack of work the actual laying off of employees shall be avoided whenever possible by temporarily transferring those for whom there is no work to other parts of the plant where there is work. If it finally becomes necessary to lay off persons, the

fund is set in operation in the following manner:

An employee, who is temporarily laid off, receives 80 per cent of his regular wages if he has dependents, and 60 per cent if he has none. If an employee, with or without dependents, secures temporary employment, he is considered to be entitled to a wage which equals 10 per cent of his outside earnings, plus 90 per cent of his usual earnings with Dennison. For example, if the employee receives \$20 a week from his outside work, while his usual income from Dennison was \$30, he would receive \$9 a week from the Unemployment Fund.

Employees who are transferred inside to other work are paid their full wages if they are time workers and 90 per cent of their six weeks' average if piece workers. Whatever they are worth on their new job is charged to operating expenses, and the remainder is made up out of the Unemployment Fund. At any time after six days' payments have been made, the Unemployment Fund Committee may stop payments to any employee, who, in its opinion, is

not making proper efforts to secure outside work during the slack period.

The cost of the plan has not been high. During the four years it has been in operation, only slightly more than \$30,000 has been paid out of it, a sum less than one-half of one week's average payroll. It may be asked if this expense has been justified. The benefits of such a plan as this are so intangible as to be difficult of measurement. We feel, however, that it has resulted in building up for us a more stable and efficient working force and that it has been a vital factor in reducing our labor turnover to the lowest point in its history—approximately 16 per cent.

Not long ago one of our oldest and keenest employees, in commenting upon our personnel policy, said "the clinic and lunch room and suggestion system and all those things are fine, but if the time ever comes when anything has to be done away with, let them all go, and hang on to the unemployment plan, for that is the thing that makes us all glad we are working for Dennison." That seems to answer the question.

The Map of the Nation's Business

AUGUST rather belied its reputation of a dull midsummer period and indeed seems to have been a rather eventful month. Similarly it may be said that while improvement was moderate in most directions, there was a rather distinct turn for the better in many things. Perhaps because the American business community keyed its anticipations too highly, however, there seems to be a thread of disappointment visible in the comments.

As to notable happenings, it might be noted that railway stock market averages touched the highest point in seven years while industrials were at the highest since 1920; bond averages, aided by the lowest rates for money anywhere in the world, reached a high point; trade and industry apparently turned the corner toward better things; crop conditions added further to the gains shown in June and July; the surplus wheat-growing areas, aided by better prices and larger yields, reported the liquidation of many old debts and the booking of considerable new business; the leading industries gained over June and July if not over August a year ago; export trade in wheat definitely increased from the low ebb and steadily declining shipments of four years ago; and the long-standing European dispute growing out of Germany's defaulted reparations was apparently put in train for settlement.

The chief unfavorable features of the month had to deal largely with the revealing of unsatisfactory financial conditions affecting the welfare of some of the large meat-packing, oil-producing and textile concerns, some of these being the result of long-standing conditions brought to public attention through the workings of the depression of midyear.

As the conditions in the textile, coal and iron trades particularly are considered, it seems more visibly certain that the country, industrially speaking, has been passing through something like a major depression.

Because of the helpful influence alike upon feeling and upon actual trade buying of the improvement in the agricultural situation as the summer advanced, it might be well to note that most of the country's crops are now moderately secure, corn and cotton being about the only ones as to whose final yield

By FRANK GREENE

Managing Editor, "Bradstreet's"

doubt is expressed, and the latter being concerned mainly with the date of killing frost. A crop season which promised very poorly in early June turned out fairly well, the most remarkable development being shown in wheat, which, if some trade estimates of an 850,000,000 total crop are correct, will show a yield of 150,000,000 above that indicated on June 1 and 66,000,000 bushels ahead of last year's harvest.

In addition to wheat, oats, white potatoes and cotton are practically sure heavily to exceed 1923, the only major crops losing greatly from a year ago being tobacco and corn. In the case of wheat, the advance in prices seems almost clear gain, and the advance in corn of fully 40 per cent goes far to neutralize a possible loss of 15 per cent in yield.

South Faces Bright Outlook

SO FAR as effects upon trade of the different sections of the country are concerned, it may be said that while the fattest yields and presumably the best financial results will flow, relatively speaking, to those surplus wheat-growing states west of the Mississippi from Texas north to the Dakotas, the South on the basis of September 1 New York cotton prices, has a crop prospect better by 20 per cent with a price not materially different from a year ago.

The unfavorable side to the decline in the corn yield and the decline in breeding of young pigs is that cost of hogs and presumably of hog products probably will be somewhat higher to the consumer.

If, as seems evident from current detailed statistics, July saw the trade and industrial ship scraping on the bottom, August saw it again afloat and squaring away upon a new tack. Wholesale trade was better than in July and undoubtedly better than in August 1923, when new business was at a low ebb.

Retail buying, never supposed to be very active in August, was somewhat better than in July and still better than in August, 1923, and in this connection it is well to note that mail-order and chain-store sales have been

better this year than last for the eight-months period.

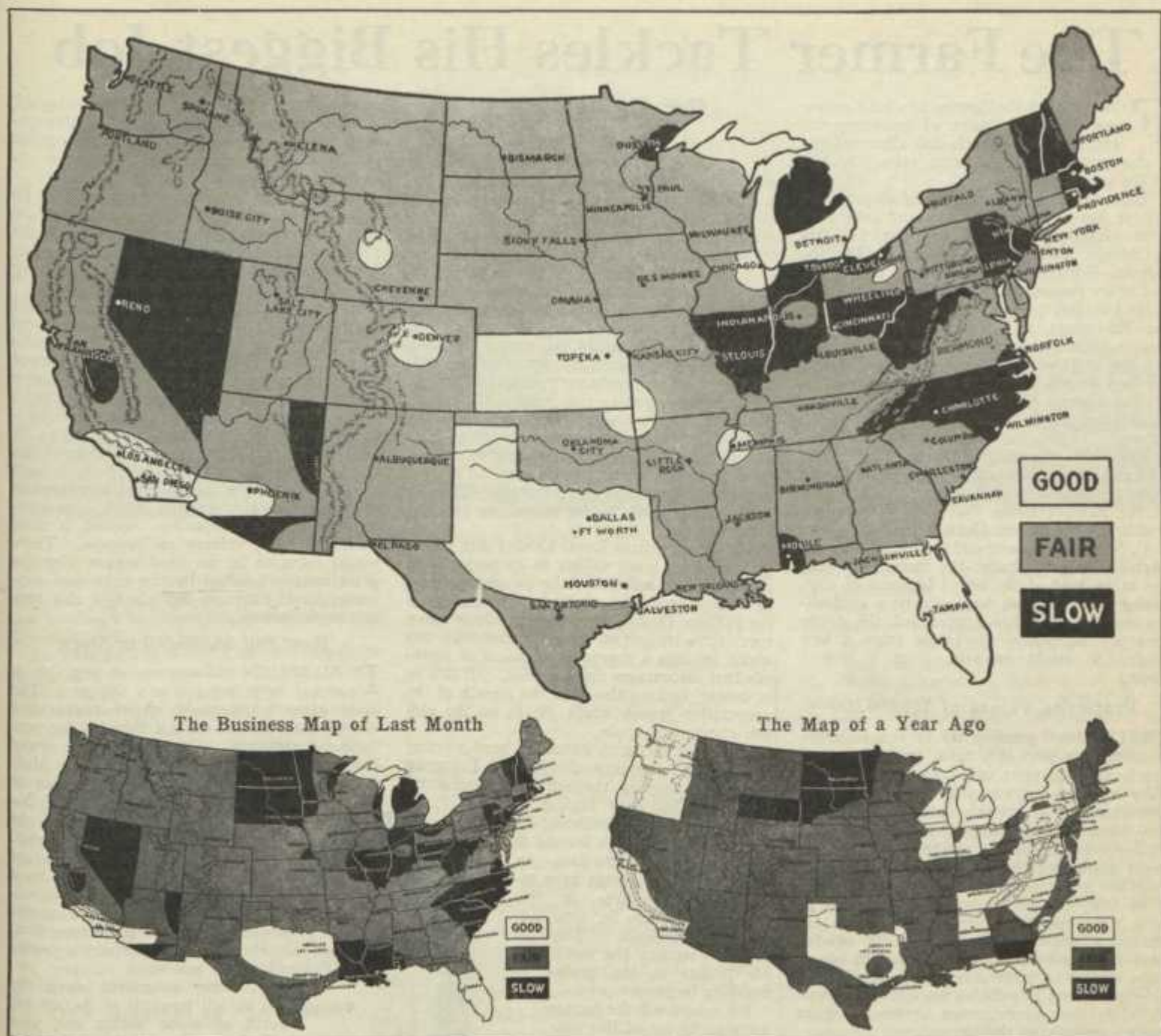
It may be that other retail lines have not shared in this, but if so, the trouble may be said to be mainly due to changes in trade channels rather than to absolute losses in trade. A rather significant feature is that sales of leading mail-order houses for the year are only 8.5 per cent below the peak year 1920, notwithstanding a drop in the general price level of about 30 per cent.

In the development of wholesale trade, which gained steadily if moderately throughout August, dry goods, clothing, shoes, hardware, agricultural implements and building materials, especially lumber, led, but any enumeration would be incomplete if it omitted the gain in steel buying which raised steel mill output from 45 to 55 or 60 per cent of capacity. In this matter of mention of capacity, it might be well to note that this capacity refers to the vastly larger capacity of today and not that of the pre-war years, which is a very different thing.

In all discussions of volume of trade and industry it might be well to note and accentuate the fact that retail trade measures, like those of bank clearings, which show big gains over a year ago, are rather in contrast with like measures of industry (outside of building and its allied lines) and factory movement. These latter, except for building, are and have been unsatisfactory, viewed from nearly all standpoints, and it is probable that least satisfactory of all have been iron and steel manufacturing and cotton and woolen goods among the textiles. Just how much of this is due to rather slack export trade is hard to determine.

The rest of the world evidently bought our raw cotton and partook sparingly of our cotton goods, for which price conditions may have been responsible, but high prices for raw material were undoubtedly reflected in the lessened domestic takings. Woolen goods do not enter as much as do cottons into the country's export trade. Iron and steel probably reflect European competition, besides some actual foreign inability to buy our goods.

This foreign trade condition is one that, notwithstanding confessedly good progress in



export business in manufactured goods of late years, seems bound to receive increasing attention. In this connection it might be noted that July imports were a fraction of 1 per cent larger than were exports, a condition not equalled since June of last year.

Because of the depression in the late spring and early summer in industry it is worth noting, as indicating the turning of the tide in August, that bank clearings, while seasonably smaller in August than in July, were 1 per cent above the year's low of June, and 21 per cent above the August, 1923, total. Most of this gain was at New York, but the South and West shared in it.

August pig iron output was 6 per cent above that of July, the year's low point, though heavily below a year ago. Steel output in August was 10 per cent above July, and the output of automobiles was 2 per cent above July, which in turn gained 7 per cent above the low of June.

The shoe and leather trades perked up, partly because of new buying of shoes and helped also by past large exports of burdensome stocks of hides and leather. Lumber buying improved from the low point of mid-

year, though not enough to regain earlier losses. The general price level in August continued the rise shown in July, when grain and hog prices advanced sharply, but the August gain was without much aid from grains or cotton which generally reacted on better crop developments. Car loadings swelled by heavier grain and merchandise shipments, expanded over July, but were below August a year ago.

Failures were fewer in August than in any month for a year past, and smaller liabilities are testimony to a continued subsidence in the tide of western bank failures. The soft coal trade was, generally speaking, in the doldrums of slack demand and high cost of labor but showed a slight gain in output in August over July, due to long-deferred buying by industries. Petroleum production has continued very large with prices of crude tending downward, while, on the other hand, July and August consumption of gasoline made new high peaks.

Some notable changes in the map this month very generally follow the lines of crop developments, especially in the grains, and the better buying induced by better yields

and better prices. The close-to-record wheat crop in Kansas plus active buying, much of it for export, seems to entitle that state to a white shading which, by the way, is likely to be extended to other states similarly circumstanced as the crops reach the markets, and fall buying of merchandise quickens.

So, too, the change from slow to fair trade indicated in the old spring wheat northwest, Minnesota and the Dakotas, seems, given favorable future conditions, likely to show further extension.

Better crop and trade reports are indicated by changes for the better in the Chicago, Memphis and New Orleans areas.

The white area in Texas is also shown to have gained as cotton crop marketing at good prices is now well under way.

Slightly better reports from metal manufacturing trades have lightened the Connecticut map somewhat, and South Carolina's trade and crop improvement has seemed to warrant gains which appear likely to be extended north and south as the cotton mills of the southeast gain in activity, running on cotton considerably lower in price than two months ago.

The Farmer Tackles His Biggest Job

By O. M. KILE

Author of "The Farm Bureau Movement"

FOR YEARS the farmer has been accusing the grain dealer of extracting inordinate profits. He has clamored for a chance to market his own crop "through to the consumer."

That opportunity is now taking shape. The farmer has contracted to buy and take over large elevators and grain-handling facilities in Chicago, Kansas City, Minneapolis, Duluth, Toledo, Buffalo, Newport News, Galveston, and other points.

He has, too, private wire systems, seats on the Exchanges, a full personnel of expert buyers, sellers, exporters, mixers and handlers are his, together with the services of nine of the best known managers in the business, including George E. Marcy, E. F. Rosenbaum, his brother E. S. Rosenbaum, and John C. Stream.

With the organization of a \$26,000,000 farmers' Grain Marketing Company to take over the property and executive personnel of the Armour Grain Company, Rosenbaum Brothers, Rosenbaum Grain Corporation, the J. C. Shaffer Company and the Davis-Noland-Merrill Grain Company, the farmer not only has taken hold of the actual business of marketing grain in a big way—almost a controlling interest—but has approached the entire idea of cooperative marketing from a new angle. It might be said, from a reverse angle.

Properties Valued at \$16,000,000

INSTEAD of growing up in the orthodox manner, a step at a time, patiently piling one local cooperative unit upon another, gradually consolidating into state units and finally into a national group, this audacious youngster has taken one long running jump and landed squarely in the middle of the biggest job of grain marketing that has ever been brought together under one management.

In fact, just at the moment, one has to look very closely to see that this is a cooperative organization at all. Its charter says it is and its officers are making strenuous efforts to make it so. But all the underpinning and foundation work must be built in while the upper stories of the structure hang suspended in the air.

At present the Grain Marketing Company is merely a holding corporation, organized under the cooperative laws of the State of Illinois. It has in its possession a contract to buy within five years' time the consolidated assets of the five companies above mentioned, and a lease on these properties for the current year.

It has also the obligation to raise within the year \$4,000,000—either by sale of stock or through profits on the business, or both—and to turn this amount over to the vendors of the property. In order to comply with the cooperative marketing law a considerable portion of this stock must be sold to grain producers.

Never before in history have farmers been able to purchase without money, and at appraised value, property estimated to be worth \$16,000,000, and at the same time get the sellers to put up \$4,000,000 in cash for operating expenses.

"The owners must have wanted to sell pretty badly," you conclude.

They did want to sell, and for very good reasons. For several years the grain-marketing business has not been very profitable. In the first place competition has been keen

and buying and sales efforts had become excessively expensive. The only way to cut down this overhead was through consolidation. Yet the Sherman Anti-Trust law stood in the way.

Secondly, the chief profit counted on by these large operators was that to be made by watching the market carefully and maneuvering for a rise in price. Speculation, in short. Three pieces of legislation enacted by the farm bloc in Congress have made these old-time speculative profits very meagre indeed.

The amendment to the Federal Warehouse Act making it possible for every farmer to store his grain in his own farmyard granary and still be able to get a bankable warehouse receipt, has made the flow of grain to market somewhat slower and more orderly. There is less bargain grain to be picked up directly after harvest.

The Intermediate Rural Credits Act makes local bankers more willing to cooperate with the grower in advancing the necessary funds to finance orderly marketing. Then, there is the Futures Trading Act which penalizes heavy speculative trading on the grain exchange, and which requires a degree of openness of methods that discourages this practice. All this is, of course, tied up also with the growth of the cooperative groups which cut in on the old-line companies' trade.

A further factor in curtailing profits traces back to the war-time practice of European nations of buying through a single central agency. This pool buying is still followed—for instance, 70 per cent of Holland's buying is now done by a single firm. In addition foreign agents have established themselves in this country as buyers for their European principals. This further restricts the possible profits in the grain-handling business.

But where will the farmer get a profit out of this venture? If experienced grain men were glad to get rid of their property because it was unprofitable, why is it a good buy for the farmer?

The difference, according to Gray Silver, president of this new company, is expected to come about through the economies both of consolidation and of the cooperative type of business. For instance, it is estimated that 40 per cent of the entire payroll, from grain shoveler to president, can be eliminated.

In slack times certain elevators will be closed entirely and the grain shifted to another elevator more advantageously located. Duplicate leased wire

systems and office rents can be eliminated, cross haul freights cut down, and—highly important—the buying costs, taxes and certain rentals will be reduced because of the cooperative form of organization.

The savings per bushel of grain will not be large, perhaps only 3, 4 or 5 cents, since there will be no speculative dealing. But the grower-member will at least have the satisfaction of knowing that he is getting every possible cent that his crop is worth.

A strong point in the project is the fact that the active management of the business will still be in the hands of the same men who have had control for years. Nine of the most prominent men in the grain trade are under contract to run the business for five years and in the meantime train up such new managers as the Board of Directors may designate.

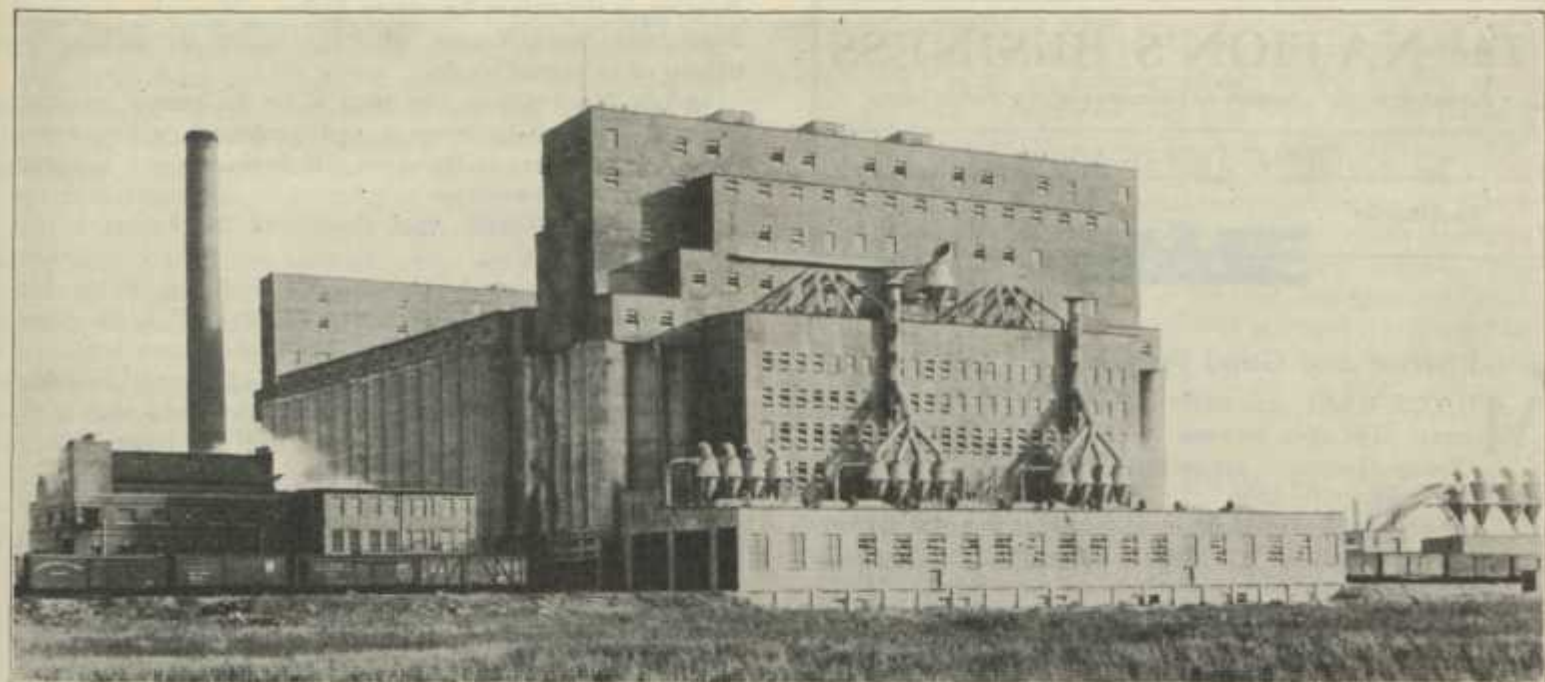
To be successful there are but three things that this organization must do. First, it must continue under the consolidated management the efficiency of operation which characterized the private companies. Second, it must handle a large volume of business. There would seem to be no good reason why the grain usually handled by the individual concerns should not now flow through this consolidated channel.

Must Sell \$4,000,000 in Stock

IN ADDITION the cooperative principle is counted on to bring in new shippers. The state grain pools made up of cooperative groups are expected to sell through the new farmers' company. Contrary to the usual cooperative marketing plan, the Grain Marketing Company pays the current price in cash when the grain is delivered. No partial payments and long waits for the remainder, as in the usual cooperative plan. The local transaction is exactly the same as though the grain had been sold to a private concern—the same, with this exception: the grower-member gets a receipt which entitles him to a patronage dividend, his share of the company's profits at the end of the season.

The third thing incumbent upon the company is to sell upwards of \$4,000,000 worth of stock within one year and to see that a goodly share of it gets into the hands of actual grain producers. The cooperative-marketing law requires merely that not over 50 per cent of the grain handled may come from non-members. In order to get memberships widely distributed one million shares of one dollar common stock have been provided. This can be sold only to producers, and ownership of one or more shares constitutes membership in the cooperative organization. It





The largest elevator in Chicago, with a capacity of ten million bushels, which will be turned over to the Grain Marketing Company

gives the right to one vote in the election of directors and entitles the holder to patronage dividends in proportion to the amount of grain shipped.

In addition there are 1,000,000 shares of \$25 Class A preferred stock and 500,000 shares of \$50 Class B preferred stock each paying 8 per cent dividends. Approximately \$20,000,000 of this Class B stock will be held by the former owners of the business. Class A stock is to be sold, largely to farmers. Whenever any Class A stock is sold an equivalent amount of Class B stock is taken up and retired. In this way there will never be more than \$26,000,000 worth of stock outstanding at any one time. In addition 75 per cent of the profits of the concern, after 8 per cent dividends have been paid, are to be used to retire Class B stock.

Elaborate plans are under way to distribute quickly among growers the bulk of the \$1 common stock and as much of the \$25 preferred as can be disposed of.

Once Regarded as "Gold Brick"

THE first reaction from most farmers was to look for the colored gentleman in the woodpile. Some thought they saw a plot to thwart further agricultural legislation. Some still insist that it is only a scheme whereby the large grain operators are effecting under the Capper-Volstead cooperative marketing law a combination forbidden under the Sherman Anti-Trust Act. Others are certain that the gullible farmer has been sold another gold brick in the form of high-priced and superfluous elevators and equipment.

But all concerned—both the former owners and the present officers—have thrown their cards on the table and invited full inspection. Editors of farm papers, officers of farm organizations, marketing experts from the agricultural colleges and other agricultural leaders of note have been taken to Chicago and invited to ask pointed and personal questions. Some still think they can see the suggestion of a hoof or a horn showing here and there but by far the majority have come to the following minimum basis of support:

First, that the farmer has nothing to lose by patronizing this grain-marketing agency, and he may gain materially. If he so desires he can limit his possible stock losses to \$1. That sum will buy one share of common stock,

which gives him a vote and entitles him to patronage dividends.

Second, that there is a good chance for moderate savings in handling costs, due to the

Farmers See Economy In Cooperation

WE EXPECT to effect the ordinary economies of consolidation—one set of officers and executives instead of five as formerly, one set of leased wires, one set of buyers and salesmen instead of five endeavoring to make the same transaction. Cross hauls and switching charges can be reduced, inefficient elevator space closed up, expense cut off during slack seasons, and a variety of other economies effected.

The cooperative form of organization in itself gives us certain advantages in addition to reduced buying costs. For instance, we are entitled to important tax exemptions. Our franchise tax was \$10. For an ordinary corporation it would have been \$80,000.

We estimate that the Grain Marketing Company from the outset should do the same volume of business previously done by the five private companies and at a saving of at least \$3,000,000. If farmers respond, as I believe they will, we should soon greatly increase this volume of business. A saving of only 3 cents per bushel applied to the average wheat crop would amount to a sum greater than the entire capitalization of the company.

GRAY SILVER,
President of the Grain Marketing
Company.

usual economies that are commonly effected by consolidation.

Third, that there are good and sufficient reasons why the grain companies desired to sell out and that Gray Silver, John Coverdale and the other farm leaders who conducted the negotiations, have driven a very fair bargain with the former owners of the property. These former owners—now the "hired men" of the farmer board of directors—can get no returns on their property until they earn it.

Fourth, there is a possibility that as the company absorbs a larger and larger portion of the grain-handling business, it may have some influence upon the general price level.

Chief criticism and opposition now comes from two sources—the Chicago Board of Trade and the group of cooperatives headed by Aaron Sapiro.

The Board of Trade is concerned with the possibilities of loss of commissions before the onslaught of the cooperatives working on a patronage dividend basis. The cooperatives insist, however, that they need and will help preserve the speculative market for hedging purposes.

An Experiment Worth Watching

IT IS understood that protests have been made to the Department of Justice and the Secretary of Agriculture, alleging that this new organization is not a true cooperative and therefore should not be permitted to operate under the cooperative-marketing law. The company's answer is that its methods involve the principles of producer control, distribution of profits on a patronage dividend basis, and one-man one-vote regardless of amount of stock held so that it cannot be debarred from the benefits of the Cooperative-Marketing Act.

Whether or not this project proves successful in the end, it is at any rate an experiment in the field of cooperative marketing that is worth watching. If it works out as farm leaders hope it will, this may be the forerunner of a succession of similar invasions by farmers of the marketing field, perhaps even of the manufacturing field. If it fails, the grain grower should at least have more information on which to base his kicks when next he complains about the profits extorted by the big grain dealers.

The NATION'S BUSINESS

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MERLE THORPE, Editor

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Good Sense and Good Fortune for the Farmer

MIDDLE-WEST agriculture has survived, and is convalescent. The area between the Mississippi River and the Rocky Mountains has secured 190,000,000 bushels more wheat—its cash crop—than last year, and yet the price rules twenty-five cents higher. A decrease of twelve per cent in sown wheat area was nullified by Nature, which still produced five per cent larger crop.

Events discredit farm leadership which saw no relief to farm distress except shrinkage of sown area, higher tariff walls, and a bread price to our working population higher than elsewhere in the world. There has developed a sounder answer—the rebuilding of the buying power of great consuming peoples in Europe.

Business experience and ability applied to Europe's economic problems have reestablished the currents of trade, and made food needs effective in price advances. Business men foretold four years ago that disorganized Europe meant American farm distress, and their judgment is vindicated by the marked improvement which followed the successful progress of the Dawes plan.

Moreover, one can not subscribe to the superficial statement that the American farm can not grow export grain in competition with other lands. American methods, resourcefulness, cheap transportation, a marketing system by which trading centers for future delivery eliminate the burden of large merchant toll—all these enable the American farm to compete against peasant labor, with its crude methods, as in Russia.

The main point is to preserve the channels of trade and the practices of international business so that demand, when existent, can reach unobstructedly the American source of supply, and that day seems to have arrived.

Who's Who in the Dawes Plan

GENERAL DAWES was the logical pivot of publicity while the experts were at work. The London negotiations shifted the center of editorial interest to Herriott and MacDonald. But who are the men who are going to do the real work of making the Dawes plan more than a scrap of paper?

Owen D. Young is the temporary Agent for Reparations Payments. He will later turn over this most important post to Seymour Parker Gilbert, Jr. All reparations payments are made to the agent, and it is up to him and the Transfer Committee, of which he is chairman, to effect the maximum transfers of cash to the Allies without wrecking exchange. He also has the position of coordinator between the Reparations Commission and all the commissioners set up under the plan. Small wonder part of the German press call him Kaiser.

Georges Leverage, one of the two experts who drew up the report on the German railways, gets the post of Commissioner of Railways. It is his task to see that the railways are run to pay their share of the reparations burden. If they fail, he may step in as a virtual dictator.

Leon Delacroix, for the last two years a member of the Reparations Commission, and a former Prime Minister of

Belgium, is the trustee for eleven billion gold marks of railway bonds, and Senor Nogara, of Italy, is the trustee for five billions of industrial bonds.

Andrew MacFeydean, who used to be the general secretary of the Reparations Commission, and incidentally a Scotchman, is the Commissioner of Revenues. It is his business to supervise the controlled revenues of tobacco, alcohol, sugar, beer and the customs, and insure that they yield their share of the reparations charges.

Gates W. McGarrath, Chairman of the Board of the Mechanics and Metals National Bank of New York, is the American representative on the General Board of the new bank.

These men have already been chosen. Others will be called to help them. The prosaic work falls to them and with it the responsibility for the successful operation of the Dawes plan.

Sorcery Ancient and Modern

ROGER BACON, who lived and wrote some six centuries ago, predicted "machines for navigating without rowers, cars without draft animals, flying machines." For this he was adjudged a sorcerer and thrown into jail.

American Magellans have just written a final vindication of Bacon's prophecy by flying around the world. They are the modern sorcerers, but instead of being jailed they are acclaimed. The interest in their achievement lies not in its effect on aviation as a sport, but in its implications as to the commerce of the future. For the flying machine of today must win support in proportion as it holds forth promise, not for greater efficiency in war but as another instrument in working the modern miracles which industry demands.

Farming's Very Raw Recruits

WHAT is a farmer? We have often wondered. To John H. Rich, head of the Federal Reserve Bank in Minneapolis, we are indebted for some light on the question. Discussing the area of heaviest farm failure in Montana, he says:

There were two circus musicians, a paper-hanger, a seagoing engineer, two wrestlers, two barbers, a cigar maker, a racehorse man, a bricklayer, an undertaker, a deep-sea diver, six old maids, a milliner and a professional gambler.

With the exception of the last named of these, we doubt their special fitness for the pursuit of agriculture. Since farming is to some extent dependent upon the caprice of the weather god, it may possibly be set down as an aleatory activity, this admitting the professional gambler.

But Mr. Rich tells us that nearly a third of the men in this district had no capital, and that more than half had no previous farming experience.

Apparently farming is like writing. Every man thinks he can do it without training of any sort.

A Step Away From Government Ownership

THE TELEPHONE service of the United States is a thing of which we are properly proud. No other country approaches us in the number of telephones or in the use made of them. One person in about eight in this country has a telephone. And it is by no means a city convenience. The telephone is almost as much a part of the farmer's life as the plow.

And this growth is the result of private ownership and individual initiative. Europe, where the bulk of the telephones are government-owned, is apparently beginning to see a light. Greece is a recent country to change. A London newspaper announces that a group of British business men have secured a concession for the installation of an up-to-date telephone system in that country.

Greece has lagged behind most of Europe in her use of the

telephone. Not one person in a thousand has a 'phone. In fact, there are only a few more than 5,000 in the whole country.

But, freed from the blight of government ownership, the modern version of the language of Homer and Xenophon and the rest of those school boy terrors will float over the wire as frequently as the English of the United States.

Checks vs. Bank Notes

FRANCE is beginning to think pretty much as we do about doing business with checks. The Government there announced recently that it intended to demand the passage of a law to remove certain technical obstacles to the wider use of orders to pay instead of bank notes. One of the obstacles is that the use of checks is not properly safeguarded, as it is here.

In France the total bank deposits are but two-thirds of the money circulation, and commercial credits but a little more than half. In England bank deposits are five times as great as the currency, specie and commercial advances taken together. In this country we do more than nine-tenths of our business without the use of till money.

France has awakened to the advantages of what economists like to call "deposit currency" through her strenuous efforts to reduce the volume of her bank notes outstanding. If the business men of our sister republic learn to write checks instead of transacting their affairs with currency, we opine that they will find that business will move more rapidly and more smoothly.

Can We Sell Without Buying?

IT SEEMS that the British shoe is finding its way into our markets. Not alone the English last or the Scotch-grain leather, but the actual footgear, produced over there. And this is viewed with some alarm by a writer in the *American Mutual Magazine*, an insurance house organ published in Boston—the home of the Home Market Club and the home of a very large section of our shoe industry.

Says this writer: "We cannot afford to allow even one pair of English shoes to be sold in this country if its selling will stop the sale of one pair of American shoes. The shoe industry needs assistance from within, not resistance from without."

The writer admits candidly that "right now the danger of English or continental footwear disturbing our market is very slight," but, nevertheless, "the time for constructive action by every manufacturer interested in the future of the American shoe industry is now—not five years after the trade has gone across the water, not only in footwear, but in other lines as well." The constructive action called for is to put a duty on the shoes so that "we can enjoy the business which belongs to us, without let or hindrance."

This foreign trade doctrine is not quoted from one of the shoe trade papers, and we know from our reading of the shoe trade papers that it is not the viewpoint of a considerable portion of the trade. The shoe trade is one of the American lines that is catering strongly to foreign countries for markets. If the exclusionist doctrine is right for shoes, presumably it is right for everything else. "Not one plate of hotel china; not one yard of cotton poplin; not one yard of broadsilk; not one yard of tweed; not one jack knife; not one pound of newsprint," etc!

As a matter of fact, in 1923 our total imports of boots and shoes were less than a million and a quarter dollars in value, while our total exports of boots and shoes exceeded seventeen and one-half millions of dollars; our shoe exports to England, Scotland and Ireland were much more than double our shoe imports from those countries.

Congress was a bit dazzled in 1922 when the American auto-

mobile manufacturers asked that our import duties on foreign motor cars be reduced. The manufacturers were much more concerned over getting access to export markets in other countries that make automobiles than they were over the prospect of foreign competition in our markets. Many an American manufacturer has come to that point of view in recent years.

Reporting in 1921, the Chamber's Committee on Tariff Principles, while advocating reasonable protection of American industries from destructive competition from abroad, commented as follows: "There is no thought of urging a Chinese wall type of protection nor a policy of attempting to foster any and every industry that may be started on American soil. American industries are fully prepared to face reasonable competition."

So This is Business!

FROM the dismal financial pages of one day's newspapers we glean these items:

Ruby and sapphire mines in India and Burma have turned out in the last year a product valued at nearly a million rupees.

Pearl shell may now be exported from the Cook Islands free of duty.

A railroad has been completed between Ensenada and the Chucarapi Estate in Peru, a distance of twenty kilometers.

Oil has been discovered in Alsace, France.

Wattle bark, used in tanning, is being produced in Australia in quantities half as great again as last year.

South Africa wants to cut its own diamonds, instead of sending them to Belgium and the Netherlands.

Young pearl oysters off the banks of Tuticorin prompt the announcement from Madras of a fine crop in 1926.

"Ivory, apes and peacocks!"

Ho-hum! A stupid business world!

The Silent Courage of Industry

HERE'S TO Business, big and small, predominantly honest, hating waste and inefficiency, advancing living standards, securing human comfort by translating the products of inventive minds into the commonplace of daily use, harassed by ignorant legislation, attacked by self-seeking demagogues. Here's to Business, misunderstood even by the honest many, but steadfastly preserving the field of opportunity for America's ambitious and able youth.

Where is the voice that in simple justice shall adequately tell the story of business leadership in these last few years of world disorganization; the story of courage, fortitude, and heroism in the direction of industry, devoted to the maintenance of employment and the conservation of painfully-created resources for a happier day?

Whose voice can enlist the sympathy and understanding of fair-minded Americans for the long story of business struggle against unjust and unwise taxation that stripped the resources of prosperous years against the days of adversity?

What war correspondent can intelligently picture the campaigns of retreat and defeat, recording those heroic stands of reduced and suspended dividends, receiverships, and liquidation? Some day, fair-minded Americans will appreciate the persistent courage which held American industry together through the problems of deflation and the successive shocks of European disorganization.

The American qualities of resourcefulness, courage, persistence and fair play will be recognized behind the desk of management, as at the worker's bench.

So here's to Business, big and small, the hope of every American youth who is willing to study, strive, and endure to attain something better than the common lot.

Clowns and Cash, Tinsel and Turnover

By EARL CHAPIN MAY

Author of "Cuddy of the White Tops"

MOST of us, when we were boys, played circus, making our "big top" of mother's quilts and blankets and endangering our young lives on a broomstick trapeze. Probably that's why so many of us, now we've grown up, still look upon the real circus as a sort of plaything, and envy the circus owner his easy life and his easy money. Mr. May tells us here that such a notion is all wrong, that the circus owner, with his elephants and troupe of bespangled performers, has his problems and his grief like any other business man. And Mr. May ought to know. His father owned a wagon show and he himself was the leader of a circus band.

—THE EDITOR.



The circus owner needs the \$50 or \$100 a day he gets from his elephant banners. The "ponderous, palm-eared, pea-eyed pachyderms" eat about a ton of hay daily at a cost of \$30 to \$40.

THE TOWN council of Busyville, Ohio, is in solemn session. The subject under consideration is: "How much shall the circus license be this year?" Five members of the council favor the license as fixed by existing ordinance. The sixth member, Horace Pennypicker, has a different idea. He arises and orates, as follows:

"These blamed circuses take too much money out of the town. Let's double the license. I move we make it \$150."

The other solons nod in solemn assent. The motion is carried unanimously. The town council of Busyville turns to other matters of state, such as plans for cleaning the main streets during the impending spring.

Within a week of the Busyville town council's action on circus licenses, a digest of the new ordinance is on file with the Showman's League in Chicago. It is forwarded to the Pacific Coast Showman's League. It reaches showmen's trade papers in Cincinnati and New York. And, what is more important, it is discussed by the General Agents' Association, meeting in St. Louis or Kansas City. Showmen have grapevine ways of getting information.

"Thumbs Down" for Busyville

TONY BALLENGER, General Agent of Sparks' Circus, says: "Busyville is a rotten show town. Last season's license, \$75, was too much for such a stick town. Let's blow it."

Ed Knupp of the Hagenbeck-Wallace Circus, R. M. Harvey of the Sells-Floto Circus and a half dozen other general agents nod just as solemnly as did the solons of Busyville when they doubled the circus license. "We'll blow Busyville this season," the general agents of the circus agree.

As circus general agents determine where circuses shall go, Busyville is "blowed." The small boys and old boys of Busyville see no circus that season nor for seasons to come, unless they journey to some adjoining town. In time the town council of Busyville admits itself in error. It conducts a strategical retreat. The circus license is restored to its original \$75 figure. After which Busyville gets its annual circus.

It isn't so easy to beat a showman.

Busyville does not know, prior to its harrowing experience, that circus people have every town in the country indexed to the minute. Neither does it know, until chastened by being "blowed," that a circus frequently leaves more money in a town than it takes out of it. But the showmen know it.

They are conducting one of the most precarious of industrial enterprises. They know all there is to know about making and losing a dollar. They are super-specialists in the itinerant manufacture and retail sale of amusement. Nearly every successful owner and manager of an American circus has come up from nothing. He spends his life in accomplishing the impossible in business.

Pick any half-dozen of our most brilliant Wall Street bankers, send them out on the road with a typical circus and, under ordinary conditions, they would go into bankruptcy or take an enormous loss in four months. Pick any half-dozen of our most successful circusmen, put them in charge of a half-dozen Wall Street banks and they would each achieve a stunning success. Of such stuff are circusmen made.

The successful circusman is forced to be a better business man than a successful banker because the former has to move his place of business almost every day during the operating season. He must set up, manufacture amusement and sell it for spot cash, and then tear down his plant each day. He must make enough each season to meet repairs, replacements and winter upkeep. The latter three items are frequently equal to half his capital investment.

Moreover, the circusman's office, during the tenting season, is under his hat or in a decidedly stuffy and hectic ticket wagon. The banker sits behind the same desk throughout the year. During his profit-taking season—presuming there are profits to take—the circusman does business on leased ground and in the open. His business is subject to all the vicissitudes of wind and weather. And yet many fortunes have been made in the circus business. Incidentally, many have been lost. Let us consider the case of one of the winners, Charles Sparks, of Macon, Georgia.

In 1903, after many years of trials and tribulations, Sparks found himself half owner

of a two-car show and of \$300 in cash. Starting that year with a \$12,000 plant and this slender cash reserve, Sparks has built up a twenty-car show which cannot be replaced for \$300,000. He has done it without borrowing a dollar. His record is, I believe, unique.

Sparks has done this thing by knowing how to save as well as how to spend money and—this is the most important of all—knowing where to "find the money." Translated, this means where to take his show so that it will play to profit-paying houses. There's the rub.

In all his forty-five years Sparks has attended school less than six months. He knows nothing about the classics, international relations, foreign languages or archeology. His knowledge of history is limited to the history of the show business in America, in which, by the way, he is letter perfect. But he is a master of mob psychology. And I am sure he could tell Herbert Hoover a lot about the economic conditions, to say nothing of the geography, of the eastern half of North America. He has been forced to give these latter subjects intimate study. And in some respects I think he has the longest memory in the world. He has to have.

Sparks' Daily "Nut" is \$2,700

SPARKS' Circus is a typical American circus. The Ringling Brothers and Barnum & Bailey Combined Shows is properly known among showmen as "The Big Show" or "The Big Bertha." It has one hundred 60-foot cars. All tented shows are classified not by the size of their tents but by the number of cars required to transport them, just as all towns, in circus parlance, are "ten-car towns," "twenty-car towns," etc. "The Big Show" is in a class by itself because the next largest show travels on thirty cars. There are several shows of the twenty-car variety. That is the type of show you usually see. They exhibit, as does Sparks, in towns of from 2,000 to 200,000 population.

It costs Sparks about \$2,700 a day to run his show. That is known technically as "the nut." Sparks' daily problem is to take in enough money to "work off the nut." This "nut" is roughly divided into \$500 a day for railroad transportation, \$500 a day for pay-

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roll, \$500 a day for advertising, and \$1,200 a day for local expenses. The latter item is the one usually overlooked by the Busyville town council.

This item of \$1,200 for local expenses does not include the very substantial sum spent each day by circus employees individually. Most of them devote the hours between matinee and night performances to shopping down town. The wear and tear on clothing and ring wardrobe is heart-breaking. Incidentally there are always harness, horseshoes, paint, rope, canvas, and a score of other things to buy for the show. The item of "repairs and replacements" is constant.

The towners have another way of benefiting from the coming of the circus. I have seen 10,000 country folks in one town of 2,000 in one day, "just to see the show." That is why many towns, instead of charging a special fee for the circus street parade, refuse to grant a circus license unless a parade is given. Such a town is Akron, Ohio. Another is Canton, Ohio. That is why when the Sells-Floto Circus exhibited at Kingston, New York, this season, part of the parade had to go clear through the business section, proper, into "old-town," a route of eight miles in the blazing sun, before the city would grant a circus license. The folks who throng the right of way of a circus parade not only get a lot of enjoyment out of the free show but they also spend much money with the local merchants.

The Elephant's Dainty Appetite

THEN there is the advertising. The local papers and billposters pick up a lot of hard cash from the advertising department of the visiting circus. All this money is spent locally no matter how bad business may be under the big top.

Sparks has to feed about 200 horses, 200 wild animals, and 300 people daily. He has to pay cash for local licenses, for circus grounds or "lot," for city water, for repairs to more or less damaged streets, for special work on strengthening bridges, and for a dozen other items incident to the circus' one-day stand in Busyville.

Circus people must be well fed or they will not "stay on" the modern tented show. I have eaten hundreds of meals in circus cook-houses and have invariably found an ample and varied menu deliciously cooked. There are no "seconds" in the circus cookhouse. The star equestrienne and the humblest negro canvasman have the same fare. That is one of the rules of the circus lot. Each circus horse eats 25 pounds of hay daily and from 15 to 18 quarts of oats. A ton of hay per day for the elephants is not considered a large amount. It has to be good timothy hay, too, at \$30 to \$40 a ton. The lions, tigers, and other cat animals eat hundreds of pounds of good meat daily, all purchased locally, "rain or shine."

It is that rain or shine thing that gets

the circus man. Hard working creatures, who must be kept in the best of condition, must eat or the show cannot be moved. And a show that cannot be moved ceases to function. It "busts up." Horace Pennypicker of the Busyville town council remembers the sunshine days when the circus came to his town. He forgets the rainy days. The circus man does not. He wishes he could.

Charles Sparks may have two weeks of ideal weather on the road. He may be exhibiting in a region where crops are flourishing and the factories are running on full time and full pay, in which case he may show a net profit of \$2,000 a day. But—if he hits a rainy spell or runs into the textile region of New England when factories are working part time, and there are bread lines where there should be full pocketbooks and dinner pails, he is bound to take a loss. If corn is down, or there is a short wheat crop, or the bottom has dropped out of the cotton market, he is in hard luck again.

During the first three weeks of the present season every circus on the road "ran into rain." Many of them did not see the sun during a fortnight. It was easy for Charles Sparks to lose \$10,000 in two weeks that way.

If a record were kept during a decade in Busyville or almost any town, one would find that the circuses left quite as much money in that town as they took away with them. It is the luck of the road. And whether luck is with him or against him during the 150 or 200 days of tramping, the circus man rolls into winter quarters knowing that he will have to spend a small fortune before the birds sing and the band plays for the next spring's opening.

Sparks' Circus had a good season in 1922. Charles Sparks' books showed he had made money. But between the time the show rolled into winter quarters in Macon, Georgia, on December 1, 1922, and rolled out of winter quarters on April 1, 1923, Sparks has spent money as follows:

One sixteen-horse "liberty act".....	\$20,000
One four-tiger act.....	10,000
One five-lion act.....	8,000
One four-polar bear act.....	8,000
Transportation from Europe and up-keep on above.....	14,000
Three llamas from South America....	1,000
Three high school horses.....	1,000
Twenty baggage horses at \$325.00....	6,500
Six baggage wagons.....	20,500

Two steel 70-foot flat cars at \$3,200....	\$6,400
Two steel 70-foot stock cars at \$3,600....	7,200
New harness.....	3,600
New canvas.....	15,000
Expenses for wintering the show.....	50,000

Total \$169,000

In this connection it must be remembered that Charles Sparks is famous for keeping up his property during the tenting season. As they say under the big top: "He brings it in in as good condition as he takes it out." Yet there must always be new paint, new canvas, new harness and countless repairs and replacements each tenting season. The blacksmith shop is always working, so are the sailors or tent menders, the wagon makers, the wardrobe mistress, the harness makers, the pole and seat stake makers, the banner painters, the rigging fixers.

Sparks was lucky during the season of 1922. He took his show over 15,000 miles of rails. He exhibited in 200 towns. He showed in every state between the Atlantic seaboard and the Mississippi River, without having one blow-down or one train wreck. He wasn't so lucky in 1923. Incidentally, before he took his show out in the spring of 1924, he bought \$15,000 worth of wardrobe for his opening spectacle, "spec" as the showmen term it. That was just one item.

By-Products of the "Big Top"

SO A circus man, while he is never pound foolish, is almost invariably penny wise. He has to be. Most of his money comes from the general admission and the reserved-seat sales for the big show or principal performance in the big top. But a circus could not live were it not for the small money that comes in various other ways. For instance, it is of paramount importance that the sideshow should have its opening before the ticket wagon opens for the big show. You should hear any sideshow manager rave if the circus treasurer begins the sale of big show tickets before the sideshow has had a whack at the towners who have gathered on the lot before the front doors are opened. The same sideshow or "kidshow" manager is again ready with his blaring band and his enticing ballyhoo when the matinee audience emerges after the big top performance. Many shows keep the sideshow grinding after the night show to gather in a few dollars. Those few dollars count. The concert or after show,

now largely a Wild West and wrestling match affair, is another necessary money-getter. It frequently garners enough shekels to pay for the local licenses—big show, menagerie, sideshow and parade. It may even take in enough money to pay also the state license and the workmen's compensation insurance required in many states. It all helps.

Years ago the circus sideshows, pit shows, and concerts were let out as "concessions." The concessionaires would furnish the shows on a percent-age basis. That



The ticket wagon, hot, stuffy and chaotic, is the office of the circus owner and here he transacts business that sometimes yields as high a day's return as \$40,000 without the aid of mahogany furniture, push buttons, office boys and stenographers.



Could You Collect Your Fire Insurance?

If a fire were to destroy your business today, could you collect your insurance? Would your records be so complete and accurate that even though your stock were completely destroyed, you could collect every dollar of insurance due you?

"The completeness and unquestioned accuracy of our Burroughs-kept records," says the Consolidated Wire and Machinery Corporation of Chicago, "enabled the Central States Adjustment Bureau to determine our loss and effect complete and satisfactory settlement within twenty-four hours after the disastrous fire had completely wiped out our stock."

A disastrous fire is not the only circumstance which makes adequate records valuable. Fire works openly and can easily be seen. But other forces equally destructive to profits work silently and persistently day after day. The stealthy stealing of profits because purchases are too large, because expenses are too heavy or

because dead stocks are allowed to accumulate can be stopped by the use of proper records.

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was also true of the candy stands and red hot stands and balloon venders. Now the wise show manager owns all these indispensable departments and hires men to run them, usually on a salary and percentage basis. The show owner gets the big end of it. He needs it. He also needs the \$50 to \$100 a day he gets from his elephant banners.

It costs 100 per cent more to run a show now than it did before the war. Prices of everything have gone up. Principal riders, who used to get \$125 a week and furnish their own horses, now get \$250. Flying acts, which could be hired for \$300 a week, now get from \$500 to \$1,500. Animal trainers, who formerly took their lives in their hands for \$75 a week, now demand, and get, \$150. Acrobats or kinkers who risked their necks for \$50 a week now want \$75 for the same privilege. Billposters, who used to work for \$30 a month and \$1 a day meal allowance, are now unionized and get \$90 a month and \$3 daily food allowance. Canvasmen or roughnecks who formerly slaved in sun, mud, or water for \$15 a month now get \$30 or more. Hostlers do better than that.

Tattooed Man Market Glutted

MUSICIANS formerly jammed wind for \$12 a week. Now circus bands are unionized, and the scale calls for \$32 per week, minimum. Freaks are also more prosperous. A good giant now gets \$40 a week; a snake charmer, \$30. Only the tattooed men are in the doldrums. There are vogues in everything. Just now there is small demand under the white tents for the gentlemen with highly muraled skins.

So closely do the circus owners watch the pennies that every bit of horse feed is picked up at night and sent to the train in the stable wagon. All untouched food is put back in the cookhouse wagon for the next day's stand. The perishable stuff is refrigerated. Nothing is wasted. There are cash registers on the front door and all over the lot.

Nearly all circus money sooner or later finds its way into the ticket wagon, which is the fiscal center of the circus lot. Circus managers are exceedingly keen on the "count up." Some time between 9 and 10 o'clock at night, the circus treasurer places between \$4 and \$40,000 in a strong black bag, hops into a motor car and hits for the circus train, where the day's cash is deposited in a strong box, usually in the manager's stateroom. Before the circus train leaves the yards that night the balance of the day's cash, from candy stands, night sideshow and concert,

also is turned over to the treasurer and placed in the circus strong box.

After breakfast in the next day's town, the treasurer buys drafts with his surplus, usually keeping only enough for that day's "nut," and spends most of the morning paying current bills on the lot or at the city hall. Most circus managers pride themselves on paying local bills promptly. Two bills are always paid in advance—for the local licenses and the railroad haul. The show cannot open up even for parade until the city licenses are paid. The railroad will not move the circus train until the haul has been paid for.

Although all circus money is handled in the open, local crooks pay a tribute to circus people which has always impressed me. I know of but one bona fide holdup of a circus treasurer. Just before he reached the circus train at Vancouver, Washington, in 1921, Frank McLain, treasurer of the Sells-Floto Circus, was stuck up by two gunmen and robbed of \$37,000. The circus men got their money back and saw the holdup artists jailed. No other bad men have tackled the circus money bags. Circus men have to be hard boiled. They are constantly bucking human nature as well as the elements.

Some towns crave circuses and make the way easy for them. I have seen Charles Sparks on one Sunday run answer six requests from chambers of commerce to "bring

your show to our town." The average circus manager answers much of his mail on the Sunday runs; the rest he handles by wire.

Other towns are "laying for the show." They are trying to "get the best of it" privately and officially. Such towns are apt to bring damage suits without cause or to break the city contracts made for licenses or water, or to call officially for more tickets than they are entitled to. These are known in circusdom as "tough" towns or "shakedown" towns. They are frequently blacklisted, just as Busyville was.

There are a hundred petty ways in which a "tough" town can annoy a circus man. That's why he carries a fixer, or legal adjuster, who also is often the circus detective, whose job it is to "spot" crooked "trailers" and "run them away from the show" as well as to smooth out any local rough places. He also has to meet the unexpected. Elephants are not always good. They sometimes stampede and do damage. The fixer is usually backed by some guaranty or fidelity company with which the circus carries a blanket bond. That is one way of fighting the crooked lawyers who bring attachments in an endeavor to hold the show and force blood money. Happily the elimination of graft or "grift" from most modern circuses has made the way easier for the fixer. Happily, also, most modern circuses have regular winter homes with strong banking connections. If business is bad, the treasurer "touches the wire" and the necessary money is forthcoming.

A Great Life if You Don't Weaken

BUT a circus man's life is never a bed of roses. He must preserve strict discipline in his own large family. He must constantly please the public with his performance. He must not antagonize local folks through any deed done by his traveling family. And his plant is almost constantly on the move. The last of the blue seats are in place at 1:30 in the afternoon, if all goes well. The first wagon rolls off the lot with cookhouse equipment at 6 that evening. In heat and cold, drought and flood, cyclone or wreck, he moves his plant 100 miles a day, establishes himself, manufactures that most delicate commodity we call amusement, gets cash for it in the local market, dismantles and packs his plant away, and then moves on to another market.

I've known a show such as Sparks to make \$500,000 one season and lose it the next. It's a great life if you don't weaken.



Like the automobile manufacturer, who changes his models from time to time, and the makers of ready-to-wear clothing, yearly seeking new styles and fabrics, the circus man spends not a little of his profits on new acts and novel thrillers, importing trained animals from abroad and rehearsing them in winter quarters



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The Fun I've Had in Business

No. 7—Advice for Diplomats; Ships for America and Japan

By CHARLES R. FLINT

Author of "Memories of an Active Life," "Shoes and Ships and Sealing Wax"

I MET Secretary Blaine for the first time on the train from New York to Washington a few days before the opening of the International American Conference, which I have previously described. In talking of trade extension, he expressed a desire to bring about treaties of reciprocity with the Latin-American states and said that it was his idea to ask for free flour and free oil. He asked me my opinion—as an international trader—regarding the best basis for such treaties. I could have answered his question immediately, but I felt my opinion would have more weight with the Secretary if I took time for consideration, so I told him that his question was so important that I wanted time for reflection, and that if he would mention an hour when I could see him I would give him my views. He then named nine o'clock on the following morning at his home.

When I called upon him at the appointed hour I told him that, after giving the matter thoughtful consideration, it seemed to me that in arriving at the basis for treaties with Latin-American countries we must consider the fact that their revenues are principally derived from imposts. I suggested that, instead of asking for the free admission of a few of our products, it would be wiser to request a small reduction on many articles, which would be sufficient to increase trade along many lines without seriously reducing the revenues of the Latin-American states.

Reciprocity Bone of Contention

I ALSO pointed out that the adoption of this policy would cause every section of the United States to be interested in the success of the proposed treaties, because of the variety of products affected, and that when those treaties came before the Senate, every section of the country would naturally advocate their confirmation.

Secretary Blaine replied that my suggestions were not only practical from the standpoint of an international trader, but that my point in regard to interesting every section of the country was good statesmanship; and he asked me to open negotiations with Dr. Mendonca for the formulation of a treaty with Brazil on the basis that I had outlined. Dr. Mendonca was one of the ablest of the Latin-American ministers, and within a few days the basis of the treaty was settled, submitted to Secretary Blaine, and received his approval. The fact that every section of the United States was interested in those reciprocity treaties proved to be of great value, as there were men of weight who opposed Blaine's Latin-American policies.

At that time Reed, known as "the Czar," was Speaker of the House of Representatives. I thought it important to ascertain his attitude toward Blaine's reciprocity policy, so I arranged to have him interviewed by a newspaper reporter, who called on him and requested his views on reciprocity.

"Reciprocity!" he demanded; "what in hell is reciprocity?"

Nor was Senator William M. Evarts enthusiastic about reciprocity. In his case there was no personal prejudice against Blaine as there was in the case of Speaker Reed, but Evarts, instead of regarding reciprocity as a step in the direction of free trade, looked upon it as the highest evolution of protec-

tion in that it would extend the wall of protection from the states of the United States to many of the states of the Americas and might lead to a war of tariffs.

Secretary Blaine, some time after the adjournment of the First International American Conference, telegraphed me to meet him on the train at Philadelphia, to ride with him to New York. As soon as I met him he remarked that action had been taken to bring about the passage of the Aldrich Amendment to the McKinley bill and that Harrison had sent a message to Congress advocating that amendment. I told him that in my opinion that message would probably be filed away in the dusty archives of Congress, that it would be far more effective if, immediately on his arrival at Bar Harbor, he would write a vigorous open letter advocating reciprocity. This he did, and his letter was published from one end of the country to the other. The nation was startled by the statement of this old-time protectionist that "the McKinley bill without the Reciprocity Amendment would not make a market for a single bag of flour or barrel of pork."

In this interview Blaine complimented my foresight in having at the outset proposed, as a basis for the treaties of reciprocity, differ-

ential duties on many articles, so that every section of the country would be interested in the passage of the Aldrich Reciprocity Amendment. I suggested that we should get resolutions passed by the boards

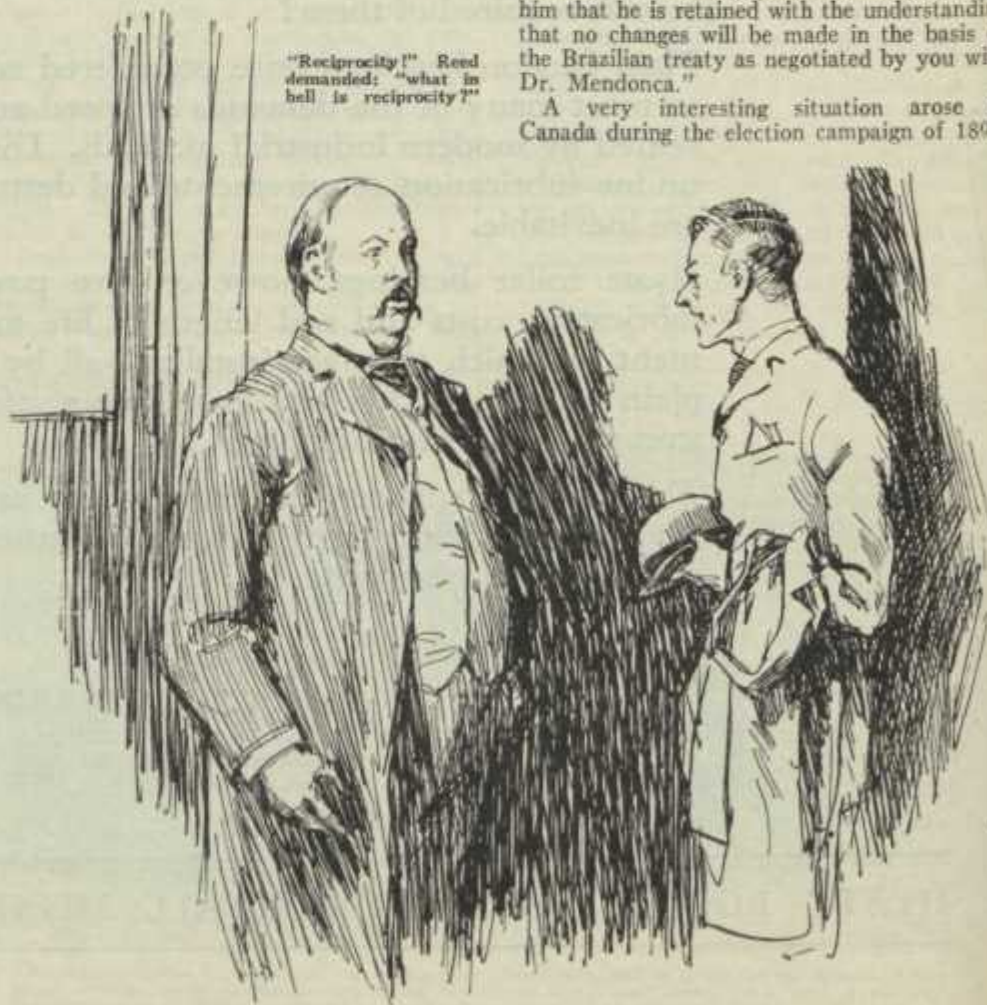
of trade and chambers of commerce throughout the country, remarking that it was very much easier to bring an idea east than to push it west—which he approved. Resolutions were first passed by the trade organizations on the Pacific Coast; the movement swept eastward, the last resolutions being passed by the Chamber of Commerce and trade organizations of New York. The Aldrich Amendment became law, and many treaties of reciprocity were entered into under it.

In formulating the Brazilian and other reciprocity treaties, I suggested to Secretary Blaine that it would be advisable to have a lawyer draw those documents, but that it would be very prejudicial if a lawyer changed the figures. Secretary Blaine then asked me who I thought would be the best lawyer to draw said treaties, and I told him John Foster, which I knew accorded with the Secretary's own views.

"No Publicity," Writes Blaine

"**T**HE STATE Department carriage is at the door," he said, "and in order that you may be entirely satisfied as to the conditions, I suggest that you take my carriage, go to Mr. Foster's residence and retain him, on behalf of the Government, to draw the reciprocity treaties. In that way you can clearly state to him that he is retained with the understanding that no changes will be made in the basis of the Brazilian treaty as negotiated by you with Dr. Mendonca."

A very interesting situation arose in Canada during the election campaign of 1890.



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The most prominent plank in the Liberal platform was a proposed treaty of reciprocity between Canada and the United States. If the Conservatives could destroy that plank by merely negotiating with the United States, they would increase their chances of success. Information was received that negotiations to that end would be opened by Sir Julian Pauncefote, the British Ambassador. The idea of the Conservatives was that the mere publicity of the negotiations would destroy the reciprocity plank of the Liberals.

Sir Julian called at the Red House, congratulated Mr. Blaine on the success of his trade expansion policy, and advanced the idea of a reciprocity treaty with Canada. Blaine responded promptly, and, taking a large telegraph blank, such as is used at the State Department, commenced writing conditions of the proposed treaty. It was manifest that Sir Julian was very much pleased with the progress he was making until at the end of the memorandum Secretary Blaine wrote:

"It is mutually agreed that no publicity will be made of these negotiations without the written consent of both parties."

The next day Secretary Blaine showed me a four-page letter from Sir Julian, couched in the most delicate diplomatic terms, in which he tried to pry open the door sufficiently to give an excuse for making the negotiations public. But the letter which Secretary Blaine wrote in reply not only closed the door but bolted it.

Buying Warships for Japan

I HAD gained considerable reputation as an expert in armament through furnishing munitions to Peru, Brazil, and other belligerents; so, when the war between China and Japan threatened, His Excellency, I. Kurino, the Japanese Minister to the United States, asked me to buy war vessels for his government to the amount of \$17,000,000. I explained to His Excellency the difficulty of a belligerent purchasing war vessels, telling him that it had never been done. I made it clear that I would not bribe any officials to secure the desired result, but I agreed to see what could be accomplished by diplomacy.

I knew that the *Esmeralda* had been built for Chile by the Armstrongs and was one of the best cruisers afloat. At that time the relations between Ecuador and Peru were strained. Discovering that Chile could be persuaded to sell the *Esmeralda*, I sent for the Consul General of Ecuador in New York and told him that I would show him how he might render an important service to his government. I made the point that if Ecuador could do a favor to Chile, Ecuador need not fear any aggression on the part of Peru. The Consul General asked me to write a cable which I would recommend him to send to his government. I did so and in it I made clear the way in which Ecuador could serve Chile's interests, and suggested that the President of Ecuador should immediately give the necessary instructions by cable to his minister at Santiago to facilitate the sale of the *Esmeralda*. At the same time I cabled my Chilean agent to confer with the Ecuadorian minister at Santiago.

When the plan was all "set," I was in a great hurry to cable £120,000 to the Rothschilds in London, the financial agents of the Chilean Government. So I went to see J. P. Morgan and informed him that I was anxious to close an important deal by obtaining a cable transfer at once. Mr. Morgan answered that he would attend to the matter personally, and I then had a chance to observe his quick mastery of figures and details. Within an hour the Rothschilds received the money

from Mr. Morgan. That same day the *Esmeralda* sailed from Chile flying the Ecuadorian flag with a crew instructed to deliver the ship to Japan no matter what flag was flying, but to go via the Galapagos Island. At this island the Ecuadorian flag came down, the Japanese flag went up, and they sailed for Yokosuka, where formal delivery was made.

Everyone came out of this transaction with profit. Ecuador was relieved of anxiety regarding Peruvian aggression, Chile received a good price on the sale, Japan paid in all about \$1,500,000 for a fine modern cruiser, and the officers and men who had delivered the *Esmeralda* received a handsome gratuity.

I remarked, incidentally, to Kurino that I had spent \$30,000 that had not been anticipated. He said: "Send me an account of same, and a draft for the amount will be sent to you." I replied: "We have no legal claim for that expenditure." Whereupon he promptly answered:

"That is unnecessary; anyone who serves Japan in time of war does not need to have a technical claim to get his money." In due course I received the \$30,000.

In proposing a health to His Excellency at a dinner which I gave to Kurino in my home, after the war, I referred to the success of Japan in her conflict with China. In his response the Japanese minister modestly disclaimed credit for the success of the war, saying:

"We were simply fighting the obstinate conservatism of China."

Kurino was an able man and a patriot. He was the Ambassador of Japan to Russia at a most critical time.

When it seemed impossible to avoid war with Spain, President McKinley sent for me. There were present Secretary of the Navy Long, and Senator Hale and Congressman Boutelle, who were chairmen, respectively, of the Senate and House naval committees, and myself, all of us from the State of Maine.

President McKinley, not wanting it to appear that the United States was actively preparing for war, decided to take advantage of my being in a position to negotiate for war vessels without it being manifest that such negotiations were in the interest of the United States. It was generally known to governments and those interested in naval affairs that I had been commissioned to purchase war vessels for Japan up to many millions of dollars. I had been able to deliver to Japan the Armstrong cruiser *Esmeralda* as I have described, the only war vessel in history that had ever been delivered to a belligerent. At that time strained relations existed between Japan and Russia, so that when I followed President McKinley's instructions, the natural inference was that I was acting for Japan.

Prosperity's Advance Agent

AT THE same time the people of the United States were considerably excited by the Spanish menace, as was indicated by August Belmont's humorous remark in a letter to Lord Rothschild, that: "If a school of Spanish mackerel were reported coming up the bay, the stock market would decline several points."

McKinley, who always had his ear close to the ground, clearly stated the situation when he said to me:

"We do not need warships for fighting; but if Spain should buy five important warships, capital, always timid, would be frightened, a financial contraction would take place, and I should not be the advance agent of prosperity."

Utilizing the cable I immediately located every available warship in the world. The

big powers would not, of course, sell their ships, so I did not have to bother with them. I made offers for the torpedo boats of Brazil, for a Greek warship, and for the best war vessels of Argentina. China had some vessels building in Germany; I got a line on them. I found that Chile might sell the battleship *O'Higgins*, and I received a cable from my agent in Rome stating that Italy might be tempted to dispose of the cruiser *Carlo Alberto*. Soon after I went to the White House and conferred with the President and Secretary Long regarding the vessels. The Secretary suggested that the decision regarding the *Carlo Alberto* be postponed until the next day.

"I have men ready on both sides of the ocean," I answered. "A day's delay may give the ship to Spain."

The President then told Secretary Long that an answer would better be given at once and instructed me to offer \$3,500,000 for the *Carlo Alberto* and \$4,500,000 for the battleship *O'Higgins*.

I then brought up the question of the purchase of the Danish West Indies. The King of Denmark, owing to the failure of the United States Senate to confirm the Seward treaty, did not desire to open negotiations through his Minister at Washington for the sale of the Danish West Indies to this country. His Majesty appointed a committee of prominent Danes with power to sell the islands, and that committee sent an agent to H. H. Rogers and myself to request us to offer them to the United States Government.

The Race for War Vessels

I REMARKED to the President that Bradford, who was then in charge of coal supplies, had said that the Danish West Indies would be of great value in the event of war with Spain, and I said that Mr. Rogers and I had been requested to offer to sell those islands to the United States Government. The President then asked me to name the price. I replied: "Five million dollars." He answered: "I will have a bill introduced in the Senate tomorrow authorizing the purchase."

The bill was prepared, but Senator Elkins made it manifest that he would oppose it, and, as the President wanted all legislation regarding the war to be unanimous, the bill was withdrawn.

I was very much impressed by McKinley's ability as an executive. In this instance Morgan or Roosevelt could not have exercised better judgment or have been more prompt.

Acting under the instructions of the Navy Department, I had made offers for all the available war vessels in the world to prevent Spain from buying them. We knew just about what Spain was offering, and we also knew that we were ahead of them on every ship. We were sure that Congress would put at the President's disposal ample funds for war expenditures, which it did; the first appropriation was \$50,000,000.

In the course of the negotiations for the *Carlo Alberto* I decided that it would be desirable, for the sake of its effect on the Italians and London bankers, to transfer \$3,500,000 immediately to the Rothschilds of London. I telephoned to the Secretary of the Treasury, Lyman J. Gage, asking him to instruct Belmont to cable that sum.

"Impossible!" answered Mr. Gage over the wire. "I cannot do that without the President's authority."

"Can you see him at once?" I asked. "I have already telephoned to the White House and the President is there."

"Yes, I will do that," the Secretary of the

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Airpost Bond Permanent Leaf Dried, Rag content Paper with much of the strength and rich appearance of a higher grade paper. It combines Quality-Appeal and moderate price. Made in White and Six Colors.

Chevron Bond Full Leaf Dried Rag content Paper, Maximum Bond Paper quality. Smooth finish. Especially adapted to high speed Offset Printing. Made in White only.

Acceptance Bond Air Dried Rag content Paper with a rich surface appearance, and clear white color. In great demand for large edition work on forms, circulars, letters, etc., because of its low price and wide range of colors. Made in White and Seven Colors.

Norman and Telephone Bond See Sulphite Tally Papers, recently introduced to be used for temporary purposes only. Made in White and a wide range of colors adapted to Factory and Office Form. Norman Bond is a No. 1 Sulphite Grade. Telephone Bond is a No. 2 Sulphite Grade.

A permanent copy of this chart will be sent on request to the printer and the binder "The Correct Use of Bond Paper."





"We do not need warships for fighting," McKinley said to me. "But if Spain should buy five important warships, capital, always timid, would be frightened, a financial contraction would take place, and I should not be the 'advance agent of prosperity.'"

Treasury responded. "A man pulling as many wires as you seem to be ought to receive immediate attention!"

We arranged that he should telephone to me from the White House, and that, when he called, connection would also be made with Mr. Belmont's office. In a few minutes he was on the wire. I had, of course, arranged for Mr. Belmont to be ready, and we both had stenographers listen in. The Secretary dictated the authority to transfer \$3,500,000 to the Rothschilds by cable, and within an hour we had a credit for that amount in London.

I had an agent in London named Lawrence Benet, the son of a former U. S. chief of ordnance. At that time I was sleeping in Washington at the Brazilian Legation with a telephone at my bedside. One night, shortly after midnight, Mrs. Flint, who was in New York, woke me by telephone to inform me that she had just received and decoded a cable from Benet which stated that the Spaniards had made offers for the two cruisers being built in England for Brazil and that their disposition would be determined by the Rothschilds, who were the fiscal agents of Brazil. As the Rothschilds had heavy Spanish interests, particularly in the Rio Tinto mines, they might be expected to favor Spain.

Upon receiving this information, I immediately called up August Belmont in New York, who was the agent for the Rothschilds in the United States. It was four o'clock in the morning when I got him on the wire. I told him that the United States Government had just been informed that it was practically in the Rothschilds' power to determine

whether the two cruisers building in England should be sold by Brazil to Spain or to the United States. Then I asked: "Have you a private code with Lord Rothschild?"

"Yes," he answered.

"A word to the wise is sufficient," I remarked, and hung up the telephone.

We got the ships.

These were named *New Orleans* and *Albany*, and they were the only warships that the United States was obliged to purchase in order to prevent Spain from buying. So there was no financial contraction as McKinley had anticipated in the event of Spain buying a number of warships, and the President made good as the advance agent of prosperity.

Coal for the Pacific Fleet

IN RECOGNITION of my services, John D. Long, Secretary of the Navy, wrote to me, June 4, 1900:

Let me refer to the services which, just before the war began and afterwards during its progress, you so kindly gave to the department without recompense or reimbursement, in connection with its efforts to procure ships and armaments abroad. In view of your large experience and extended business facilities, the department very highly appreciates your patriotic action and your generous cooperation, and takes this opportunity to formally tender you its hearty thanks.

Admiral Fiske telephoned me to come to Washington as an expert in ocean coal transportation, to confer with him as to the best methods of getting half a million tons of coal into the Pacific. I advised him to continue purchases in the United States, increasing them a little so as not to attract attention,

but to have the principal shipments made by merchants in Wales. I suggested that, instead of using government funds for that purpose, it should be financed by private funds with bills of lading endorsed in blank so that the holders of these bills of lading would possess title to the coal, which could not be seized as contraband as the title-holders would not be belligerents. In that connection I went to see J. Pierpont Morgan, Jr.

Meeting him as he was coming out of his office, I said:

"Mr. Morgan, I want to borrow half a million dollars on security that is of little or no value."

He quickly asked: "Is it for the Government?"

"Yes," I answered.

"I'll give you credits on J. S. Morgan & Co., London, for that amount whenever needed," and he walked hurriedly on to keep an appointment.

I don't remember his father ever making a quicker decision except once. Meeting Morgan senior under similar conditions, I asked him what he would sell the *Corsair* for.

"\$250,000," he quickly replied.

"I accept your offer," I said immediately.

He may have been a little quicker than the junior on that occasion; but later he sent Beaver Webb around to my office to tell me how important the yacht *Corsair* was to his health and, of course, I told him that the sale and purchase was only a plesantry. Banaceda, for whom I had accepted the offer, did not need the yacht, however, as at the time he was practically a prisoner in Santiago, and his only possible means of escape was the one that he chose—suicide.

Joining Railroads Their Own Way

By RICHARD WATERMAN

Chief of the Railroad Bureau, United States Chamber of Commerce

THE VAN SWERINGEN brothers of Cleveland—Oris and Mantis—have in two years and a half created a new railroad system in the great industrial area of the United States lying north of the Ohio River and east of the Mississippi. When completed it will rival the New York Central, the Pennsylvania, and the Baltimore & Ohio systems in mileage, in capital assets and in territory served. It is a marvelous achievement—one that has not been equaled in the railroad world since the days of Harriman.

At the time they entered the railroad field, the Van Sweringens were both under 40 years of age. They had been very successful in real estate operations in Cleveland, particularly in developing the Shaker Heights suburban tract and building their own rapid transit system to connect it with the center of the city. In 1916 they bought a controlling interest in the New York, Chicago & St. Louis (Nickel Plate) Railroad with 523 miles of line running from Buffalo to Chicago.

For six years they operated the Nickel Plate successfully and then in 1922 acquired a controlling interest in the Lake Erie & Western and the Toledo, St. Louis & Western (Clover Leaf), and in July, 1923, consolidated these three roads in a new Nickel Plate System with 1,695 miles of line. So far this year they have added successively the Chesapeake & Ohio, the Hocking Valley, the Erie and the Pere Marquette, which they propose to combine with their own road into a single system having 9,145 miles of line, and assets of nearly \$1,500,000,000. It is noteworthy that the five railroads that will thus be merged are complementary rather than competing roads.

Erie Provides New York Terminal

THE Nickel Plate, as enlarged by the Van Sweringens in 1923, unites Chicago, St. Louis and Cleveland with Buffalo. It is a main highway for traffic and noted for its fast freight service. Between Chicago and Buffalo it has the shortest line located wholly within the United States with low grades and comparatively few curves; but it lacks a New York connection.

The Erie Railroad provides the new system with the much needed eastern connection and a route of its own to New York. It has 2,717 miles of line and is double track for most of its length from New York to Chicago. It has exceptionally good terminal facilities, particularly in New York.

The Chesapeake & Ohio, including the Hocking Valley, operates about 2,900 miles of line. Nearly 75 per cent of its revenue tonnage is soft coal, which it carries from the mines of West Virginia and Kentucky to the Atlantic seaboard and to the industrial centers of the Great Lakes region and the West. It needs additional outlets for its tonnage, however, and these will be afforded by the other roads included in the Van Sweringen System.

The Pere Marquette operates 3,262 miles of line, chiefly in the lower peninsula of Michigan. It connects with the Nickel Plate at Toledo and with the Erie at Chicago and Suspension Bridge. It has 337 miles of line in southern Canada. It serves territory which on the one hand supplies a large market for industrial fuel, and on the other needs to reach a large market for automobiles and other manufactured products.

In 1923, according to the *Railway Age*, the

Nickel Plate showed net income equivalent, after charges were paid, to $3\frac{3}{4}$ times the 6 per cent dividends on preferred stock plus twice the 6 per cent dividends on common stock. In the same year the Chesapeake & Ohio had a net amounting to nearly \$9,000,000 and after paying dividends of $6\frac{1}{2}$ per cent on preferred stock and 4 per cent on common carried to profit and loss a balance of \$5,000,000.

The Erie, of course, pays no dividends, but it has recently improved its earnings very substantially and the community of interest with the Nickel Plate should give it more remunerative fast freight business than it now handles. In 1923 the Pere Marquette succeeded in paying 5 per cent on all three of its issues of stock besides which in the past three or four years it has caught up on all the arrearages in its preferred dividends.

The new company will receive the entire gross income from all of the leased properties, subject to the provisions of the leases and will at the same time pay all expenses, provide for refunding of outstanding bonds and maintain, operate and develop the leased properties. The stock of the new company will be in two issues, a 6 per cent preferred and common. It is intended to put the common stock on a 6 per cent basis from the time of issuance.

An official statement issued by the Van Sweringens shows that the five companies included in the proposed merger have a total investment in road and equipment of \$1,081,000,000 and other resources that increase their total assets to \$1,406,000,000. In 1923 their total railway operating revenues were \$355,960,770 and their net railway operating income \$56,195,062, giving a rate of return on the property investment of 5.19 per cent.

What will this new merger mean to the shippers of the country? Will it increase or diminish railroad competition? Will it strengthen railroads under private operation, or is it a step towards government ownership? These questions are of direct interest to every shipper of freight. They cannot be answered with any certainty at this time but it may help readers of *THE NATION'S BUSINESS* to reach their own conclusions in regard to the probable answer if we bring together some of the facts that have a bearing on the proposed consolidation.

The advantages of the new system compared with the group of railroads now operating individually were thus pointed out by the Van Sweringens in a recent official statement:

When the entire plan becomes effective the new company will operate directly or through subsidiaries, approximately 9,145 miles of road, including leased and controlled lines. Its main lines will extend from the ports of New York and Newport News to connections with the principal western, northwestern and southwestern roads at the gateways, Chicago, Peoria and St. Louis; also to the gateways of Louisville, Cincinnati and Indianapolis. Its lines will reach such important cities as Rochester, Buffalo, Erie, Cleveland, Sandusky, Toledo, Columbus and Fort Wayne, and serve the great Mahoning Valley steel district, particularly the mills and plants at Sharon and Youngstown; also the rubber industry at Akron and vicinity. It will

serve the extensive bituminous and anthracite coal fields of Northern Pennsylvania and the bituminous fields of Ohio, West Virginia and Kentucky, and afford outlets from them to tidewater, to the Great Lakes and to the north and west. It will afford to the industrial territory of the Great Lakes continuous transportation over originating rails to and from the points named.

There was a time 20 years ago when the anti-trust laws were rigidly applied to steam railroads, thus checking the growth of large railroad systems. After a few years the federal authorities learned that it is not desirable to enforce this policy in every instance and Congress authorized the Interstate Commerce Commission to permit one carrier to acquire control of one or more other carriers either under a lease or by purchase of stock or in any other manner not involving actual consolidation of the physical properties and the corporations whenever in the opinion of the commission the proposed acquisition would be in the public interest. This provision of the Interstate Commerce Act is the one under which the Van Sweringens have asked the commission to approve their plan for obtaining control of the Chesapeake & Ohio, the Hocking Valley, the Erie, and the Pere Marquette Railroads.

The directors of these roads have unanimously approved the proposed plan and have submitted it to the entire body of stockholders for their approval. The next step will be to incorporate the new company under a state charter and then ask the Interstate Commerce Commission to authorize the new company to issue the necessary amount of new securities.

To Negotiate 999-Year Leases

THE new company will then exchange these securities on an agreed basis for at least a majority of the stock of the four other roads, thus giving the new company a controlling interest in each of them and the new company will negotiate a lease for 999 years with each of the roads and unify the organization and operation of the entire system in much the same way that the New York Central and the Pennsylvania have unified the organization of the roads they have acquired. The Pennsylvania, for example, is now operated as a single system but it includes lines belonging to seventy separate corporations which it controls either through lease or by ownership of a majority of the stock.

In the act to regulate commerce as amended by the Transportation Act, 1920, there are two additional provisions intended to facilitate railroad consolidation:

1. Congress directs the Interstate Commerce Commission to prepare and adopt a plan for the consolidation of all the railway properties of the continental United States into a limited number of systems, preserving competition as far as possible, and whenever practicable maintaining existing routes of trade and commerce. And

2. Congress authorizes the Interstate Commerce Commission to permit two or more railroads to consolidate voluntarily provided the proposed consolidation is in harmony with the comprehensive plan previously adopted and, in the opinion of the commission, is in the public interest.

In accordance with these provisions, the Interstate Commerce Commission prepared in 1922 a tentative plan for railroad consolida-



THE PATH OF ALASKA'S BILLION

"Everything," says a resident of many years, "is true about Alaska." True or untrue, depending upon of which part of Alaska you happen to be speaking.

Notably true are the words of Roosevelt in 1902: "No country has a more valuable possession in mineral wealth, in fisheries, furs and forests."

Notably untrue is the prevailing impression that Alaska is a desolate land of ice and snow.

Identical in latitude with the prosperous nations of Norway and Sweden, Alaska has a hundred thousand square miles suitable to a high type of agriculture.

It contains 20 million acres of merchantable timber.

Its resources in gold and other metals cannot be estimated.

Its coal resources are put by the United States Geological Survey at a minimum of 150 billion tons.

Oil of high quality has been discovered at widely separated points—what this discovery will bring forth, no one yet knows.

Alaska's fisheries produce from 40 to 50 million dollars a year.

Its first important railroad has just been completed. The development of Alaska's tremendous resources has just begun!

Yet, already, Alaska carries on a trade with the United States amounting to 80 million dollars a year.

Already, Alaska's exports come to a total of over a billion dollars!

Quite naturally, most of this billion has gone into the United States.

Quite naturally, too, its largest part has gone into the United States by way of the Pacific Northwest ports!

For the Pacific Northwest ports are the very door to Alaska. And Alaska's growing commerce

constitutes an important factor in their own growth.

Alaska's billion is a bare beginning. Alaska has many billions more to ship in raw materials alone. It will require billions in return.

But Alaska's billion has definitely marked the path which the billions that follow it will take—through the ports of Washington and Oregon.

The new commerce of which the Pacific Northwest is the center has yet this other direction of expansion, inestimable in its significance!

Three great developments converge in the Pacific Northwest—that of increasing trade with the Orient, where three-quarters of the world's people are awakening to a recognition of new wants—that of the Pacific Northwest itself, the region offering today the greatest possibility of growth and development of any in the United States—and that of Alaska.

Here is opportunity for the forward-looking elements of American industry! That they may appreciate the full significance of this opportunity, American business men should see both the Pacific Northwest and Alaska.



Cut out a map of Alaska with the Aleutian Islands, and place it over a map of the United States drawn to the same scale. It will cover one-fifth of the larger map. It will reach the Canadian border at Minnesota, the Mexican border at Texas, the Atlantic Ocean at South Carolina, and the Pacific at California!

THE PACIFIC NORTHWEST

*The Chicago Burlington & Quincy R.R.
The Northern Pacific Ry.
The Great Northern Ry.*



tion and held hearings in all parts of the country with a view to determining whether this plan is in the public interest and should be adopted. In the tentative plan the commission proposed that all of the roads in eastern territory (excepting New England), that is, in territory east of the Mississippi, north of the Ohio, and west of the Hudson River, shall be grouped in seven consolidated systems—No. 1, New York Central; No. 2, Pennsylvania; No. 3, Baltimore & Ohio; No. 4, Erie; No. 5, Nickel Plate-Lehigh Valley; No. 6, Pere Marquette; and No. 8, Chesapeake & Ohio.

At the hearings before the commission in 1923, it became clear to students of railroad consolidation that in the eastern territory (excluding New England) there are already two great consolidated systems practically completed—the New York Central and the Pennsylvania—and that the problem in this territory really is to determine how the other roads in eastern territory can be grouped in two new consolidated systems that will be comparable with the two already existing.

Now the Van Sweringens have come forward with a plan for a new system that is entirely comparable with the two already developed. It includes 9,145 miles of line, while the New York Central System has 11,414 miles and the Pennsylvania System 11,276 miles. It reaches the principal gateways to the west and to the south, and so do they; it has well equipped terminals at two Atlantic seaports, and it reaches every important lake port and many industrial centers.

But the Van Sweringen system does not conform to the tentative plan proposed by the commission. It takes 2,325 miles of line from System No. 4, 1,700 from No. 5, 2,300 from No. 6, and 2,900 from No. 8. This

does not necessarily mean that the plan will not be approved by the commission. On the contrary it is believed that the Van Sweringens have kept in close touch with the commission while they were developing their plan and that they are reasonably certain that the commission will approve it.

Since the tentative plan was prepared in 1922, the commission has heard testimony on railroad consolidation from scores of witnesses representing railroads, traffic associations, and public organizations, and has developed a record that throws new light on every phase of the question. When the commission presents its report on this testimony some months hence, it may announce a final official plan, but in any event it will considerably modify its original plan for grouping the roads. It may, for example, reduce the number of proposed systems in eastern territory from seven to five or, perhaps, four, and may even ask for a modification of the present law designed to facilitate consolidation.

Plan Four Eastern Groups

THUS FAR the commission has interpreted the consolidation provisions of the act to mean that every railroad must be assigned to one or another consolidated system. But witnesses at the hearings have shown that this is not necessarily the most desirable policy. There are bridge roads, belt lines, and terminal facilities that should, in the opinion of many railroad men, be withheld from all of the proposed consolidations and used as common facilities.

For example, the Central Railroad of New Jersey was assigned by the commission to the Baltimore & Ohio-Reading System. At the hearings the New York Central urged that this road be assigned to the New York Cen-

tral System. The Port Authority of New York, however, made a vigorous plea that the New York terminals of this road be withheld from both systems and used as a common facility serving all of the trunk lines that enter the Port District from the south and west.

If the Interstate Commerce Commission should approve the Van Sweringen proposal and should prepare a new tentative plan grouping the eastern roads into four consolidated systems (1) New York Central, (2) Pennsylvania, (3) Greater Nickel Plate, and (4) Baltimore & Ohio, it would be necessary for the commission to assign to some position in the new plan each of the following roads:

Western Maryland.....	694 miles
originally included in No. 1, New York Central.	
Norfolk & Western.....	2,062 miles
originally included in No. 9, Norfolk & Western-Chesapeake & Ohio.	
Baltimore & Ohio.....	4,563 miles
Reading.....	1,206 miles
Central of New Jersey.....	683 miles
originally included in No. 3, Baltimore & Ohio.	
Wabash (eastern lines).....	2,519 miles
(in entire system)	
Delaware & Hudson.....	883 miles
Delaware, Lackawanna & Western.....	956 miles
Bessemer & Lake Erie.....	204 miles
originally included in No. 4, Erie.	
Buffalo, Rochester & Pittsburgh.....	586 miles
Lehigh.....	2,024 miles
originally included in No. 5, Nickel Plate-Lehigh Valley.	
Virginian.....	506 miles
originally included in No. 8, Chesapeake & Ohio.	

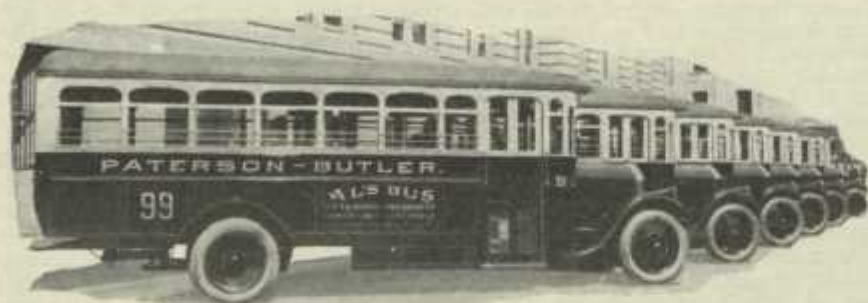
Three roads in this list—the Baltimore & Ohio, the Reading and the Central of New Jersey with a total of 6,542 miles of line—would constitute the backbone of the proposed system No. 4, Baltimore & Ohio;



Map showing what the new Van Sweringen system will look like when the consolidation is completed

GREATER COMFORT—GREATER SAFETY—GREATER SPEED—GREATER PROFITS

Fares Increased \$10 Per Day Per Bus With These Pierce-Arrows



Standard Chassis

\$4600

for 196-inch wheelbase, \$4750 for 220-inch wheelbase, at Buffalo; including starter, battery, generator, solid tires and electric lights. Pneumatic tires and disc wheels optional at extra cost.

Terms if desired

Mr. Albert Lydecker operates a bus line covering many lake and pleasure resorts in northern New Jersey. He formerly used four-cylinder converted-truck busses. He recently purchased nine modern Pierce-Arrow Dual-Valve, six-cylinder motor busses because of their luxurious riding qualities, absence of vibration, greater power, better speed, greater economy of operation and increased safety.

These busses are operated fourteen hours a day, covering 160 miles each. Mr. Lydecker reports an increase in receipts from each bus of \$10.00 per day over his previous equipment. He further finds that these Pierce-Arrow busses cost no more to operate than the four-cylinder converted-truck busses he formerly used.

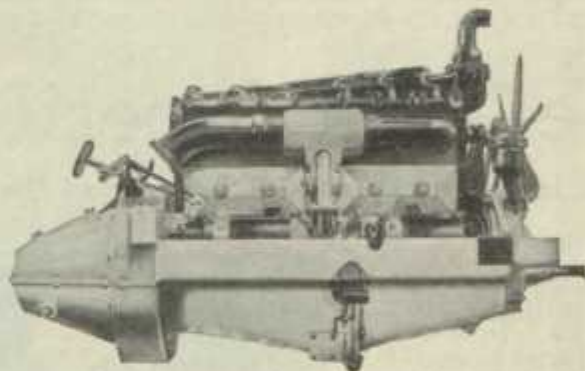
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The Pierce-Arrow six-cylinder motor bus is the most modern development in bus transportation. It is actually more comfortable than a fine limousine. It handles as easily as a high powered touring car. Control is so easy that driver fatigue is practically eliminated—an important factor of safety. Gear shifting is seldom necessary; steering is unusually easy. The bus glides along smoothly, silently and with no perceptible vibration or noise.

The public today demands comfort, quiet, speed and safety. The Pierce-Arrow motor bus meets this demand more completely than any other motor bus. The network of Pierce-Arrow service stations in all parts of the country assures immediate service without costly tie-ups in schedules.

Let us arrange for a demonstration at the factory or at one of our distributing points. Meanwhile, write for complete information.

THE PIERCE-ARROW MOTOR CAR COMPANY
Buffalo, N. Y.



The Pierce-Arrow 6-Cylinder Bus Engine

The silent, Dual-Valve, Dual-Ignition Pierce-Arrow Bus Engine develops over 100 horsepower at 2500 revolutions per minute. It is so flexible that gear shifting is reduced to a minimum.

Speed of from 45 to 50 miles an hour can be maintained readily, if desired—which means that lower rates of speed do not tax the engine to the limit.

The bus is propelled by a trouble-free inverted worm gear drive. The low-hung chassis has an unusually short turning radius.

* * *

The Pierce-Arrow Motor Bus chassis, produced in two lengths of wheelbase, will accommodate the Sedan, sight-seeing or pay-enter types of wood or steel bodies, ranging from 18-passenger capacity upward.

Pierce-Arrow

other roads would be added in order to round out the facilities of this system for reaching all parts of the eastern territory and carrying all classes of commodities. Each of the remaining roads in the list would, in due time, find its place in one or another of the four consolidated systems.

The proposal of the Van Sweringens to include in their new system some of the most important terminal facilities in New York, Chicago, and other industrial centers should be considered with great care by the Interstate Commerce Commission and by the public. The commission should define at the earliest practicable date a comprehensive policy for joint ownership or joint operation of terminal facilities.

In his report to the Interstate Commerce Commission in 1921, Professor Ripley said:

Another far-reaching assumption is vital to the success of this plan (consolidation of railroads). This has to do with the operation of terminals at great centers. . . . The subject technically is so involved, that it might well be made matter for a special investigation. Its bearing upon and relation to the subject of the division of through rates is as obvious as is its intimate connection with consolidation. The pending New York Central application to acquire the Chicago Junction Railway raises in itself almost all the possible aspects of terminal problems. Consolidation can never be effectively brought about without the adoption of a comprehensive policy

as to terminal ownership, operation, or both. It is herein assumed that free access will be somehow provided, either under the present emergency powers as contained in section 1, paragraph 15-c, or by the adoption under a consolidation plan of permanent arrangements in all of the important centers. Possibly the assignment of terminal properties might take place by means of leases based upon valuation by the commission and at a rate fixed by the commission as reasonable. This would permit the terminal companies to remain under the joint control of the several participating railroads, rather than that entirely independent terminal companies, actually owning these facilities, should be set up. The important point, whatever the means adopted to this end, is that there should be unified operation and entirely free access to all participants alike. . . . A practically universal demand of shippers is that they be able freely to exercise their routing rights by the provision of open terminals, both at the point of shipment and at destination.

In various parts of the country, state and municipal authorities in conjunction with the railroads themselves have been studying this problem for many years through special organizations established for the purpose—the Port of New York Authority, the Chicago Railroad Terminal Commission, the Terminal Railroad Association of St. Louis and other similar bodies.

The new Van Sweringen system does not reduce the number of separate railroad cor-

porations nor does it combine into a single physical property several roads that hitherto have been separate properties. It is, therefore, a merger rather than a consolidation, the first made under the provisions of the Transportation Act. The form of lease that will be used provides for immediate unified control and operation of five railroads that up to this time have been independently operated, and also provides for ultimate consolidation. The Van Sweringens say on this point in their official statement:

Each lease shall provide for the consolidation, merger, conveyance or unification in any other manner of the properties of the lessor and lessee companies into one corporation for the ownership, management and operation of such properties when authorized by the Interstate Commerce Commission or other proper governmental agency whereupon the lease may be terminated.

There is little question that the organization of this new system will be followed by other important mergers in southern and western, as well as in eastern territory, and that in due time actual consolidation of the roads included in each of these systems will take place and the 2,000 separate railroad corporations now existing will be succeeded by a few large competing systems more nearly equal in strength and in earning power and better able to provide the service required by the public.

The Great American Game—Regulation

A letter to Edward H. Skinner, of the Skinner Machine Tool Co., Kensington, Ind.

Washington, Sept. 5.

DEAR ED: As a correspondent you'll never go round in under a hundred. I wrote you a nice, polite letter, expecting to get something back about you and your family and how far ahead of the sheriff the tool works are and maybe a couple of chunks of scandal about some folks I went to school with. And what do I get?

About two pages of how you did an 82 in the club championship and would have shot a better round only for the fact that it's the custom to choose the members of the Greens Committee from the Home for the Feeble-minded, and a description of the new fourteenth hole at the Kensington Country Club.

I was somewhat interested in that, for unless I'm off on my local geography, it runs near the Highlawn Cemetery, which you and I were brought up to call the Baptist Burying Ground. I'll bet there is some commotion among the older citizens underground when you and the rest of the new generation go by. I can't see your dad lying still in his grave with you sailing past in plaid knickers, carrying \$48 worth of golf clubs in an \$18 bag and taking a chance of



Bootlegging Their Golf

losing a dollar ball on what used to be Hoskins' pasture. I'll bet you wouldn't dare let him see your club bills.

Makes me think of Charlie Perkins and his old man. You remember 'em? The old man has managed to save two or three millions by being careful, and he don't let the last dollar go any easier than he did the first one. Charlie isn't doing so bad, but he can spend it as well as make it; so when he had to go to New York, he asked his father to meet him there. The old gentleman said he would if Charlie'd pay his hotel bill, and that was all right.

First morning Pa Perkins found he'd forgotten his razor, and he had to go downstairs for a boughten shave. Charlie goes along, too, and calls for a manicure. When the old man saw what was happening, he all but falls out of the chair.

"My gosh," he says, "I never thought I'd live to see a son of mine hirin' a woman to clean his finger nails."

The shock was so great that he hardly noticed that the shave cost him a quarter and that Charles, Jr., dropped behind and tipped both barbers.

No, sir, your dad would be shocked. And he'd be worse shocked if he had any idea



ONLY
PACKARD
CAN BUILD A
PACKARD

The Packard Owner Knows

Packard Six and Packard Eight both furnished in ten body types, open and enclosed. Packard's extremely liberal time-payment plan makes possible the immediate enjoyment of a Packard—purchasing out of income instead of capital

The Packard owner knows that it costs no more to wash and polish a Packard than an ordinary car,

no more to garage one

and less to insure one;

that he is getting more miles to the gallon of gasoline;

more miles to the gallon of oil;

more miles to the set of tires;

and that the standardized charges for adjustments and repairs are the lowest he has ever experienced.

ASK THE MAN WHO OWNS ONE

When writing to PACKARD MOTOR CAR COMPANY please mention the Nation's Business

that you sometimes cut out of the office by three o'clock just to play golf. His idea of a day was to get down at 8.30, eat a piece of pie and a glass of milk at 12.30 and go home along towards six. Saturdays just the same.

But cheer up! You may have to quit the game yet. Not that I'd worry. I'm one of those fellows who can take his golf or leave it alone; if it's stopped by law, why I'll quit just the way we all quit using liquor when the Volstead Act took effect.

What do I mean? Why just about the time your letter landed on my desk some one handed me a copy of *Commerce & Finance* with a powerful piece by Theodore H. Price crying out:

"Prohibit Golf by a Constitutional Amendment!"

Now there's a lad with an idea, and he don't care who hears him. He's got it all doped out that golf costs \$473,000,000 a year. He gets his figures from the *Golfers' Magazine*. And they're nutty. Five millions for seeds and two millions for beverages are a couple of items. I leave it to you. Does it sound sensible? I'll bet that at any club I ever played at, for every cent's worth of seeds, there was a dollar's worth of beverages.

However, if as Editor Price says, golf is "one of the most wasteful and dangerous games that human ingenuity has ever devised," let's get after it.

But why a Constitutional Amendment? Not right away. The progress of reform through Federal Government is more complicated. What we ought to have first is a Fact Finding Commission on golf.

The pending election will leave some of the faithful on both sides of the fence out of jobs, and we could stow 'em away nicely on a commission; twelve members divided between golfers and nongolfers, with reasonable allowances for rent, secretaries, travel, expert witnesses. Great!

A careful examination of golf methods in

Florida in the winter and New England in the summer; a thoughtful study on the spot, of course—of the economic waste of California's links; a great program can be laid out. Of course, a subcommittee, or maybe the whole commission, would have to go to Scotland. How could they avoid an inquiry—on the spot, mind you—into the effects of golf on Scottish morals and the economic system of Scotland? The golfing members could try the golf links, and the nongolfing members could take up the other national sport of Scotland, unless, of course, all the materials for the game are being sent to America.

Out of this, of course, we should get a Federal Golf Regulation Commission to see that business and golf were kept in a proper balance.

As president of the Skinner Machine Tool Company, you'd probably have first to fill out a questionnaire about the number of golfers in your employ, how often they played, their handicap, their average score, and a few other things. Then you'd apply for the necessary golf licenses, but not until a Federal Golf Inspector had visited your office, gone over the Town & Country links, measured the distance from office to links, and from links to office, and allotted the time that each could allow from his business.

Then, of course, there'd have to be monthly or weekly or semiannual reports to be filed. And I can't think of anything lovelier than you sitting down to draft a chart showing the amount of golf played by you and the rest of the office lizards in relation to the output of the tool works. And as the output increased or decreased, you'd probably be allowed more or less golf by the Government Golf Inspection Bureau.

But that wouldn't be the end, Ed. Oh, no! I've watched this game of Federal Government too long. Pretty soon the Federal Golf Regulation Commission would start its propaganda for what Mr. Price wants, Constitutional Amendment plus a \$20,000,000 appro-

priation for its enforcement, plus bureaus and jobs and branch bureaus and more jobs.

It's a grand idea. Just think of all the Anti-Golf Leagues that would have to be formed with paid secretaries and publicity men and pamphlets and meetings. And all the Golf and Personal Liberty Leagues, all with the said secretaries, etc.

And what would you be doing? I know you. With you, golf has become an incurable disease. You'd be bootlegging your golf part of the time. I can see you sneaking out by moonlight to what used to be the golf links, with your last preprohibition ball, and banging it around. It wouldn't be real golf any more than most of the stuff folks hand to you is real whiskey; but you, you poor, benighted addict, would have to have it.

And by night you'd sneak up to the attic where you've laid out a pretense at a putting green and stupefy your brains with a few puts before you go to bed. And your poor wife! How she'll feel when a couple of federal agents bust into the house and raid the illicit short hole out between the garage and the house and seize half a dozen golf balls and two clubs. Terrible! And no more vacations at your lake cottage where you used to golf from 8 to 7. No; you'll be thinking up devious reasons why you'll have to go to Canada this summer and Bermuda the next winter.

But there'll always be a little prescription golf for the lucky ones—say nine holes every ten days if you've got one of these doctors with not too much conscience.

I'm crazy, am I? Sure I am; but if anyone had told the Hon. G. Washington a few of the things that the Federal Government would be doing in 1924, he'd have said, "You're crazy."

Anyway, run down and see us and bring your clubs while you can still carry 'em in the train openly.

Yours,

JOE.

The Church Looks at Business

BY CHANCE I sat one week with representatives of America's business in national annual assembly (the annual meeting of the Chamber of Commerce of the United States, at Cleveland); the next week with the leaders of the "Biggest Business," in their quadrennial session (the General Conference of the Methodist Episcopal Church, Springfield, Mass.).

In the former I was an accredited delegate from my local chamber and, so far as I could learn, the only professionally "religious" man among the 4,000 men representing over 750,000 business men and organizations.

At the latter assembly I was not a delegate but on the employed staff in a place which brought me in closest contact, on the platform, with the general superintendents, secretaries, the speakers before the conference, and all the machinery of the meeting. The former was larger in point of numbers, but the latter represented many more constituents.

From my "close-up" of the two great conferences I realized certain similarities and contrasts between so-called "Big Business" and so-called "Biggest Business" or the "King's Business."

Regarding the personnel of the two gatherings: As one looked into the faces of the members, he felt that in point of intelligence, alertness, prosperity, good health and general happiness revealed in faces, it was about a

By The REV. JOHN L. COLE

Of the Methodist Episcopal Church of Bennington, Vt.

draw. Eliminating two items, the ever-present cigars and cigarettes and the general higher average of tailoring among the representatives of business, the looks of the leaders of the church (half ministerial) would measure up very well with the leaders of industry in point of physical and mental efficiency.

The number of young men with that look of just having stepped out of a gym suit, all "set" to put the same energy and sportsmanship into the business of life that they put into football or track, would be somewhat higher among the Cleveland crowd. The youth movement has not made a great impression yet on the selection of General Conference delegates or Board of Bishops.

Now "Big Business" is supposed to be sordid, materialistic, "soul-less," if not out-and-out selfish, and the principles beneath the whole system may be "pagan." But as I looked at those merchants and manufacturers who had idealism and cooperative spirit enough in their hearts to travel across the continent to a National Chamber convention; as I heard the statesmanlike utterances of their officers who serve without pay and spend, some of them, a third to a half of their time in the work of investigation and

counsel for the Chamber's sake, I could not resist the conclusion that there is a whole lot of religion, labeled or unlabeled, getting into modern industry.

"Profits," "dividends" were words rarely mentioned. Julius Barnes, the president of the Chamber, did once use the word "profit," early in the session, to rule it out entirely as an argument for the open shop and private ownership, for both of which the Chamber hotly contends, but on the principle of common good and individual development, not for the "money in it."

The methods of the Chamber in elections to directorate and in legislation were absolutely democratic, and conducted in a splendidly unselfish way. One of the most enthusiastically applauded addresses was that of Mr. Young, Manager of Industrial Relations for the International Harvester Company, in which he advocated shop representation, praised the union's cooperation, and ended with a quotation from "The Man of Calvary," "He that would be greatest among you let him be your servant."

Here was a man whose whole life was spent in establishing and maintaining personal relations of good-will and understanding between employer and workers for a great manufacturing enterprise, sometimes called the "Harvester Trust," and who was

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getting no "come-back" from his "liberal views."

It was significant that the man to whom I sat next at the dinner following, at which Edward Steiner was the most applauded speaker, turned out to be in exactly the same occupation: "Personnel Work" with a car company in Cleveland. How many more of that crowd of business men, I wondered, were there trying to get new methods, not to make more money, but to make better relations between the men who toil with their hands and those who toil with their minds and money—all for mankind's betterment?

As for the general ideals of business, the "code of ethics" voluntarily announced and adopted on the last morning, introduced by Judge Parker, of California, chairman of the Referee Board, was as high in tone and unequivocal in expression as any social creed which a General Conference could evolve.

It insisted that men incorporated were under the same moral obligations as men individually. This conception that modern business seems to have of rendering human service, building up a clean national and international life, undergirded by honesty and justice to all, the expression of the best in every man, may be the reason for the diverting of a large group of these clean-cut idealistic youths from the church creeds and activities to business houses and commercial enterprises.

In the latter, certainly, progress is less fettered by precedent and sacred tenets and ancient prejudices; so it is not unlikely that many youthful idealists are entering the laboratories and engineering rooms instead of seminars for biblical research.

In both assemblies I discerned a movement to pull down the barriers that have foolishly been erected to separate group from group. "North" and "South" Methodism are getting together. An honest attempt to cooperate with thirty other great denominations through a Federal Council received heartiest endorsement among the church representatives. Prophetic utterances on internationalism from bishops like Fisher and Birney elicited unanimous enthusiasm. Women were granted ordination on the same terms as men. In the elimination of groups and duplications, both in orders and in church boards and departments, progress was made.

Robert Speer (who in his statesmanlike, succinct utterances, as well as personal stalwartness, reminds one of Julius Barnes), drove home to the church leaders the fact that some evils could be cured only by united effort, all churches functioning together.

And in almost identical words Herbert Hoover, Secretary of Commerce, told the representatives of the Chamber that only by voluntary association, conference, and cooperation could some of

the evils in business be eliminated. They themselves, by united intelligent effort and repentance, could forestall the government regulation and interference which the Chamber so much dreads.

These two bodies were much akin in their feelings towards Congress and some of the administrative departments of the Government. The business men had a little more grudge against Washington, and again and again reproached Congress for failure to pass intelligent taxation measures and for discouraging business, by gestures toward government regulation and government ownership.

IN SEPTEMBER we printed the first of a series of articles by Alfred Pearce Dennis, of the Department of Commerce. It was called

THE VITALITY OF AMERICAN BUSINESS

A business man who was also a man of vision had sensed the poetry of industry and had written it in vivid English. We asked Mr. Dennis to write again for us, and this month we are glad to give to our readers his second article:

THE ROMANCE OF AMERICAN BUSINESS

In the November number we shall have another of the series, this time on

THE MOBILITY OF AMERICAN BUSINESS

while in the December number will appear an article on

THE FLEXIBILITY OF AMERICAN BUSINESS

A notable series, we feel, by a writer who has watched American business from many viewpoints, who has studied industry in Europe that he might better interpret industry in America.

But the churchmen voiced condemnation of the Treasury Department for failure to enforce the 18th Amendment and stirred the hot indignation (and a retort to "mind its own business"), of Congressmen like Tinkham, of Massachusetts, by suggesting that such anti-racial legislation as the Japanese exclusion act was un-Christian and unstatesmanlike at this juncture of international affairs. Although both great organizations count on the democratic method of public opinion for "putting across" their respective measures for commercial good and for moral good, both are one in disappointment over, if not disgust for petty politics that seems to mark much of the congressional work, and the inefficiency of some administrative branches.

Of course, the General Conference had more hymn-singing and there were more Bibles in sight. But who knows but that the honest sentiments of justice, brotherhood and love sung about in Springfield were being worked out into factories and payrolls and business methods at Cleveland? And maybe the motives which find their greatest impetus and clearest expression in the Bible were operating underneath the coat of "worldly" exterior, and the crisp, business-like discussions of the Chamber's delegates while they talked on transportation, manufacturing, foreign relations, immigration and the relation of agriculture to business.

Human value was first in every discussion, wherever it started or wherever it came out; so much was evident.

Intolerance, hasty judgment, a materialism in the form of over-emphasis on size, salary and honor, probably cropped out among the ecclesiastical brethren in spite of the sacred tunes and "devotions." And he would be very superficial who said that because of the lack of prayer at every session, or because of the haze of tobacco smoke over the Cleveland meetings, there was not a growing sense of supremacy of personal values over material and honest endeavor to work out good-will and the golden rule in the conduct of the nation's business.

Bishop Welch reminded the Conference that the prophets of religion had proclaimed the sacredness of individuals and the sin of overworking a human being twenty-five years before it was recognized by business reducing its hours of labor. Of course, that is what prophets are for—to find out what the will of God is, first, and try to get it worked out in human relationships.

But one who hears the deliberate findings of this great group of business men, and sees corporations sincerely trying to find and maintain a fair point of contact with workers, sees men like Filene, Rockefeller, Jr., and Nash, actually working Christ's principles in industry, is likely to conclude that business is about as close to obeying the "heavenly vision" as is literature, or art, or politics. Then, remembering the wrangling over non-essentials, a tendency to judge others without hearing, and a willingness to shut out the light of science, which has marked the church sometimes, one is inclined to say that organized business is about as near its ideal as is

organized religion.

At any rate the old question about a business man being able to be a Christian is losing all point, because business is getting organized more and more on simple Christian principles and is being leavened by the leaven of the Gospel about as fast as the rest of the "lump." Its aim is to render unselfish service for the common good of all mankind.



Down in Dallas, Texas, "The Map of the Nation's Business" gets painted and illuminated display, being reproduced on large billboards so located on the main arteries of travel that they who ride may read

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By GEORGE E. ROBERTS

Vice-President, National City Bank

VII—The Indispensable Enterpriser

A YOUNG engineer met by chance, one day in Italy, an erratic Frenchman and a sporty young Englishman who were displaying a crude device for distributing alternating currents of electricity. The young engineer was much impressed, being an employee of George Westinghouse, the manufacturer and inventor. He cabled Westinghouse a description of the device, and back came the reply by cable: "Purchase the American rights." This the engineer did, and within a few months the alternating current system, which has been responsible for the great electrical development of the present century, had been made a practical possibility by Westinghouse.

When Westinghouse began to experiment with alternating current, he was laughed at. People said that it was dangerous and deadly. Laws were urged against it. Many authorities of the time wrote that its use was unjustifiable and should be prohibited entirely.

Yet Westinghouse persisted. He realized that direct current alone would not make it possible to transport high voltages over long distances, and that the power development of the country was thus handicapped. With alternating current, however, the power of Niagara could be converted in electric current at the falls, and then sent across the country for many miles—to turn wheels and lighten labor. Westinghouse saw that, with alternating current properly developed, central power stations in the cities, or near coal mines, could furnish light and power over large areas. So he hazarded his time and much of his money in the development of this new invention. He enlisted the support of his friends. He organized a company to manufacture apparatus. He built power plants and factory buildings. And all for what result?

A Revolutionary Invention

TODAY 95 per cent of the electrical energy used for power and lighting in the United States is alternating current. It is carried to consumers over 100,000 miles of high-tension lines. Great power stations in large cities, near mines and waterfalls, manufacture alternating current. Huge stacks spread across the fields carrying the power of the thunderbolt upon their shoulders. In factories alternating current drives machines; it heats and lights; in homes it irons clothing, bakes bread, toasts, fans, warms; in mines, it lifts materials and ores; on the farm, it illuminates homes and barns, turns machinery. Electricity has been the wonder worker of the modern age, lifting untold burdens from human shoulders. And to George Westinghouse, more than perhaps to any other individual, the credit for this great development is due.

What is the economic service which Westinghouse rendered? He himself did not invent the original equipment which made alternating current possible. Neither did he furnish all the money, nor all the brains. What he did was to throw back of alternating current his power and his resources as a leader and business organizer. He determined that alternating current should be an actuality. He committed himself to it; he enlisted others. He built an organization. He took the visionary, half-formed invention of erratic minds and reshaped it for practical commercial development, and for everyday use. Then he made this idea a commercial reality. By

so doing, Westinghouse rendered the important economic services of an enterpriser.

We saw some time previous that there are four factors in modern production. One of them is land, or natural resources, which furnish raw materials. Another is labor. A third is capital, which we have recently been considering. A fourth is enterprise—the subject of this chapter.

Where there are four factors that are essential to production, it cannot be said that one is more important than the other three. Of enterprise it may be claimed, however, that it brings together, guides, and makes productive the other three. It is the central, unifying, directing quality that carries productive efforts forward.

Coordination and Direction

IT IS especially important that the work of enterprisers be clearly understood because of fallacious proposals that are continuously being made. Many movements to draw the Government into private enterprise, for instance, overlook some of the most important features of an enterpriser's work. Wage earners often feel that the man who directs an undertaking renders a less essential service than that of others who work with their hands—and that a return to him is a toll, levied upon the output of the workers. The soundness of these and similar opinions must naturally be judged by what enterprisers, themselves, are called upon to do.

An enterpriser's work only starts with seeing a business opportunity. Many see such opportunities who are not enterprisers. The erratic Frenchman and sporty Englishman perceived some of the possibilities in alternating current far ahead of George Westinghouse. But until Westinghouse got back of their idea and assembled the means for developing it, there was no effect upon the world—no benefits to consumers.

Not all enterprisers own capital; they can be enterprisers and furnish no capital at all, although most enterprisers do so as one indication of their faith in an undertaking. Likewise an enterpriser need not own land or raw materials, and he may labor along with others in order to complete the product which is turned out. It is not the ownership of capital or land, nor the furnishing of labor that makes a man an enterpriser; the enterpriser's function is to direct how the land, labor, and capital used in a business undertaking shall be employed. He decides the amount of each that shall be used. He says how they shall be combined. He assumes responsibility for the undertaking after it is started. These are the things that make a man an enterpriser.

He may purchase from an inventor his invention, as Westinghouse did, agreeing to pay him a fixed royalty. From the capitalist he may obtain the necessary funds to carry on the undertaking, guaranteeing interest in return. He bargains with land owners and agrees to pay them a rental. He hires labor at a fixed wage. He buys all the other factors in production, alone assuming the risks and responsibilities of the final output. Now all

this means that the enterpriser really is a *business man*—one who runs a store or operates a factory—who employs labor, produces goods or services, and sells them in the open market. In discussing the enterpriser in economic life, therefore, we are really discussing the economic contributions of the business man.

The decisions of enterprisers and business men are very important to the community. To start a factory in the wrong place, or under unfavorable conditions, wastes property and resources. Buildings and machinery must be junked if the enterprise fails. Workmen, who may have been brought to that locality, are compelled to seek new jobs. There may be serious loss and suffering, due to the mistakes on the part of business leaders.

The enterpriser is often compared to the general of an army. In his hands rests the control of all the other agencies in production. A mistake on his part may bring ruin to all.

Since this is true, society wants as enterprisers only men who can make responsible, correct decisions. So far no device has been found which assures this to the degree that private enterprise does. This is the reason that private enterprise is so generally favored. If the government runs a business and makes mistakes, the official in charge does not suffer heavy consequences. He may lose his job, it is true—but that usually comes only as a result of the grossest inefficiency. If a business man makes a mistake, however, he loses not merely his income or his profits, but his property, too, may disappear. Nothing breeds prudence and responsibility like having a real stake in an enterprise. By this means the penalties of bad judgment are brought home unmistakably.

Sound Judgment Is Essential

A MAN who runs a business cannot make exactly what he wants. He is governed by the market. He can produce only what people will buy. The people do not tell a business man in advance what they want—nor whether they will take the product after it is made. Neither do they agree to pay the price which the business man feels he must charge. The people reserve the right to buy when they please and as they please—and in what quantities they wish. They also reserve the right to change their minds, and to quit buying whenever they feel like it.

This means that enterprisers must assume many risks—in fact, it is this service of assuming risks that makes the enterpriser so important. He must begin by forecasting what people will buy. This means taking account of many things that no human being can control.

Styles change, for example—or inventions outside the industry may revolutionize customs. A people which at one period rides bicycles, at another period wants motorcycles or motor cars. Crops fail and strikes are called. All these things upset the plans of enterprisers.

The enterpriser faces risks on the buying side of the market, as well as upon the selling side. He must buy raw materials, labor, and machinery. These are all surrounded with uncertainties. No one can tell in advance whether he can get all the men he wants at the time he may want them, and at the price which he is prepared to pay. Raw material prices fluctuate. There are

periods of glut and scarcity. Few of the business men who were stuck with heavy inventories in 1920, for example, anticipated the stoppage in buying which took place, or the heavy drop in prices which ensued.

Many of the risks which enterprisers must assume are inevitable, if production is to be carried on, and the individual freedom of mankind retained. It is an important feature of our basic institutions that we can do as we please. If we are permitted to buy what we want when and as we want it, somebody must bear the consequences when we change our minds. This the enterpriser does.

There is no insurance against style changes or price changes. There is no method which guarantees a business man all the labor he wants, all the capital he may need, or all the materials he may require. There is certainly nothing that will guarantee him customers. These are risks that can only be avoided by going out of business. Whoever stays in business must carry them.

We see, then, why the judgment of enterprisers is so important, and why their work is so vital. The number of businesses which fail shows how heavy are the risks which enterprisers carry, and how rare is the good judgment which they must possess. It is usually stated that only 10 per cent of all the business ventures started, succeed. The balance either fail, or are only able to break even.

Enterpriser Collects Last

IT IS important to understand that the enterpriser's share in the product of industry comes only after the claims of others have been satisfied. Wage earners, for instance, will not build a factory building, and wait for their pay until the business is making money. They demand their wages weekly.

Similarly, capitalists will not loan money for plant and machinery and take chances on their interest. This must be guaranteed to them every three or six months. All these claims precede the claims of the enterpriser. He guarantees them—and takes his profit from anything that remains. If nothing remains—his efforts have netted him nothing.

When these things are considered, it is apparent that enterprisers have no "bed of roses"—that the profits which they make are usually earned—and that their every step is surrounded with possibilities of heavy loss. When these things are understood, we see how foolish are the proposals of many theorists to do away with enterprisers. Much of this agitation is based on a mistaken notion as to the rewards which business men receive, either as profits or salaries. The feeling is often voiced that if the heads of businesses could be abolished and their incomes divided up among the other workers, the gains to the mass would be very great.

A few years ago the United States Steel Corporation published some figures on this point. They took the year 1918, which was one of the most prosperous in industry, and found that exclusive of the officials of the company, who receive large salaries, the average pay of everyone employed in the organization was \$5.33 per day. Then they took another set of figures in which was included the salaries of the officials, as well as the workers. Everyone was included from the office boy to the chairman of the board. This total was averaged over all the workers in the company, and it was found that when all the high salaries were divided among the remainder of the organization, the increase in each man's wages was just five cents per day.

The American Telephone and Telegraph Company made a somewhat different calcu-

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Wisconsin Speaks to Kansas

"RAISE less corn and more hell!" By ELMER PETERSON

"These conditions, everyone tells us, are due to

lation. They assumed, for sake of the example, that nobody in the organization received a salary of more than \$5,000 per year. All the money being paid as salaries over and above this amount was divided among the number receiving less than \$5,000. The result was an increase in the income of the mass of workers of 17 cents per week, or \$9 a year.

The example was continued, and the salaries of everybody were cut to \$3,000. Nobody in the company was to get more than \$3,000, not even the president. When the difference between this amount and the salaries actually being paid to the executives in the organization was divided among the workers receiving less than \$3,000, the increase in each man's salary was 28 cents a week, or \$15 a year.

And remember that these reductions in salaries represent incentives that are taken away from the heads of the enterprise—men whose talents are extremely rare, and which, under existing conditions, cannot be gained by other means.

It must be realized that the men who are capable of running business are bought and sold in the open market, just as are businesses themselves. The laws of supply and demand determine the salaries of high executives, just as they do the prices of wheat or soap. The man who can take a run-down business and make it into a tremendous money maker is in large demand. Men who can double and treble the earnings of a business are sought after. Assume that an organization is doing a volume of \$200,000,000 annually. A man who can double that is certainly worth \$100,000 to the business.

Like everything else, managerial talent of a high order is rare, and the more it improves, the rarer it becomes. If, as many theorists urge, the financial rewards paid to such men were divided up among the others, the gain to the masses would be a mere drop in the bucket—an amount so trifling that it would be wasted on cigars, chewing gum, or movies. The loss in the rare directing qualities of the leaders would be tremendous.

To date, at least, no way has been found of attracting and developing the rare qualities of a manager like offering him an attractive financial return. Society must have his efforts, and this has proven the most direct and effective way of obtaining them.

Brick Types Further Simplified

A BRICK must make a good case for itself, or out it goes, rules the Permanent Committee on Simplification of Varieties and Standards of Vitrified Paving Brick of the United States Department of Commerce in further reducing the recognized types and sizes of vitrified paving brick from six to five.

The committee resolved that

any variety of brick which shows less than 2½ per cent of total shipments for three consecutive years be eliminated and that any variety of brick which shows 5 or more per cent of the shipments for three successive years be reinstated in the list of recognized types and sizes unless special technical or other reasons show that such action is undesirable; provided further that the recognized types and sizes shall represent not less than 75 per cent of production.

When the first conference on paving brick simplification was held in November, 1921, manufacturers throughout the country were producing 66 different types and sizes of vitrified brick for street and highway purposes and street railway track paving. The committee on simplification includes representatives of the engineering organization, government departments.

That was the war cry of Mary Ellen Lease a generation ago when she spoke to the Kansas farmers in the heyday of the Alliance and the People's Party.

She was one of the high priestesses of discontent in those days when ten-cent corn was consumed by the dugout altars in lieu of coal, when the wheat often was drouth-burned even before harvest by the hot winds sweeping over the sod leagues of the Panhandle country.

And now there is a strange echo from Wisconsin.

Mary Ellen's advice was an urgent incitement to go to law about the price of corn and wheat. It was one more repetition of the theory that agricultural ills may be cured by legislation.

By this time you may be thinking of a senator from Wisconsin. But let his case rest a few moments. Consider first the report of a committee of farmers, bankers and educators from Kansas, Missouri and Oklahoma who have recently returned from a tour in Wisconsin.

Their report is unaccountably omisive of the riches that may be brought to a commonwealth by laws governing board of trade, marketing associations, industrial combinations, trusts, wheat barons, railroads, packing houses and other agencies of the money devil. It is full of strange and cryptic references to diversified farming, rotation of crops, the increased yield of hay and grain crops, the building of many new cheese factories, creameries and condenseries, the establishment of calf clubs, the building of good roads and silos, churches and schools.

One somehow gathers from the report the inference that prosperity has been brought to Wisconsin by farming farms.

"A contented and satisfied people, prosperous and happy," lives on the farms, says the document. "Comfortable homes and attractive surroundings, modern and convenient barns and buildings for cattle and crops" have been built. "Farms are occupied and operated largely by the owners, and from the statements of the farmers and bankers it was learned that 75 per cent were free from mortgage. In some of the counties visited we were told that 95 per cent of the farmers owned their farms."

The report says no word about government warehouses or fiat money, about central state banks or state-owned terminal elevators, about dockage or any of the things that were agitating North Dakota a few years ago and Kansas back in 1900.

"On every hand we found the appearances of thrift and contentment," the visitors say. "This impression corroborates what the entire country has come to understand, through published statements and personal reports, that the state of Wisconsin has suffered less depression during the past three years than any other agricultural section in the United States."

Here, in the peroration, the reader instinctively pricks up his ears. Perhaps the tribute to La Follette is reserved for the last, in a burst of dramatic accolade.

We come to the crucial reason for all this happiness and well-being. One edges forward in his seat as when a nomination speech is being made, with the half-uttered demand, "Name him! Name him!"

And here is the climax:

the intelligent and scientific management of the dairy cow as the most important item in their program of diversified farming, supported and encouraged by all the business interests of the state."

So this is Wisconsin, is it?

Has it overlooked its most prolific crop—that of political panaceas?

Are the people of Wisconsin fatuously depending upon Holstein heifers who yield a ton of milk in a month, after all? Have they lost faith in the statesmen who can make two statutes grow where only one grew before? Have they ignored the advice of Mary Ellen and the Peffers and Townleys and Brookharts? Have they decided, after all, that farm prosperity is a matter of recognizing the law of supply and demand and adapting it to intensive cultivation of the soil and sound business methods? A strange reply to Mrs. Lease, indeed!

Kansas, with its record-breaking wheat and corn crops bringing high prices, nevertheless pauses to listen to Wisconsin these days. Even the plethora of wheat has not dammed up its ears to the wisdom of diversification and scientific farming and dairying.

Economic facts are speaking so loudly that political theories are dimmed.

There is a great yelling from the stump these days, but, soaring out over the heads of the spellbinders and hellraisers, surging mellifluously into the farthest reaches of the Mississippi Basin, is the more-powerful argument:

"Moo-oo-oo!"

Egyptian Crops Thrive in Southwest

MIT AFIFI, Deglet Noor and his Saidy are among the newly-naturalized citizens of California and Arizona. All three were natives of Egypt. In their new homes Mit Afifi is known as Egyptian cotton, and Deglet Noor and Saidy are listed as African dates. Mit Afifi came to this country in 1899 with Dr. David Fairchild and found a good home on the irrigated lands of the southwestern states. Deglet Noor and Saidy came to southern California in 1876, but nothing much was heard of them until 1900 when they settled down at Tempe, Arizona. Probably none of the new citizens would now be recognized in their old haunts. They have been quick to take up American ways and customs.

The United States Department of Agriculture welcomed the newcomers, and has been very active in helping them to get settled. For the last ten years, the average annual return for the Egyptian cotton crop of Arizona and California has been nearly \$6,000,000. Outstanding forces in the development of that industry have been the Department's Bureau of Plant Industry and Agricultural Economics. The cotton has staples of unusual strength and fineness, ranging in length from 1¼ to 1¾ inches. It is especially suited, says the department, for automobile tire fabrics.

Date culture, too, has progressed from the experimental to the commercial stage. The production last year was approximately 300,000 pounds, valued at about \$150,000. Difficulty of ripening the fruit was an early obstacle to commercial culture. That difficulty has been met by incubation, by chemical treatment, by artificial ripening in warm, moist rooms, and by modifying the so-called bag-ripening process used in North Africa.



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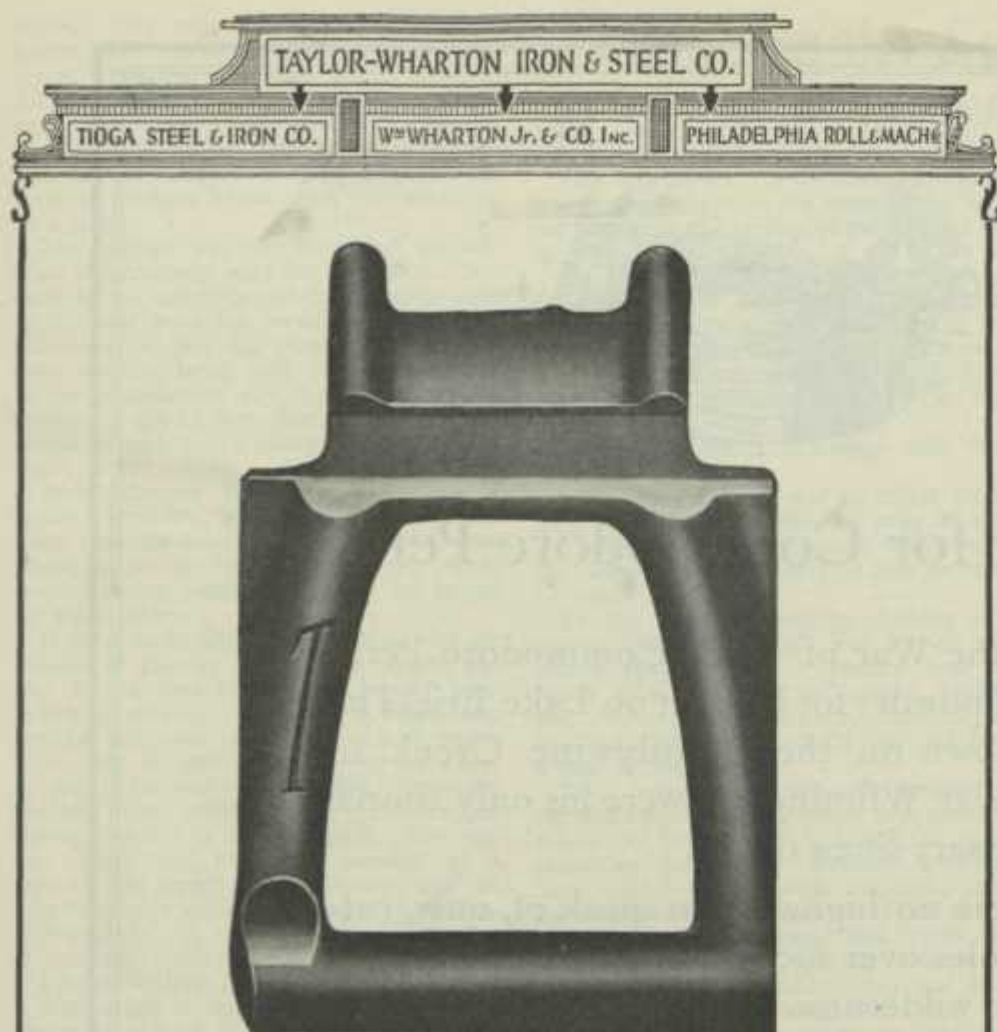
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Helping the Retailer to Help Himself

By J. R. SPRAGUE

ON ONE occasion I happened to be on a committee from the chamber of commerce of my home town, appointed to round up back-sliding members. It was not a very big town; our chamber of commerce was in a slump, and desperately in need of paying members to keep it going, a situation familiar to anyone who has ever mixed in the civic affairs of a small community.

Our committee of three worked up and down the business district for the better part of a long, hot afternoon, listening to complaints from disgruntled citizens, reasoning with resentful ones, and pleading with impecunious ones. It was nearly evening when we came to the last man on our list, whom I will call Mr. Kinney, proprietor of the Guarantee Hardware Store.

Mr. Kinney was alone in his establishment when we entered, opening a box of goods and, though he must have seen us, he acted as though nothing was on his mind except his work in hand. Very deliberately he stooped to pick the articles out of the box on the floor and carried them one by one to lay on the counter, never looking our way. We waited patiently, and at last Mr. Kinney seemed to decide that he might as well have it out with us, for he came slowly toward us, a tall, thin man with chin whiskers and a pessimistic face.

Each of us shook hands with Mr. Kinney but the cordiality was all on our side. It was our chairman who broke the somewhat embarrassed silence.

"We have come," he said cheerily, "to talk with you about your membership in the chamber of commerce. The secretary says you have dropped out."

Mr. Kinney's Ultimatum

MR. KINNEY admitted it, but offered no excuse or explanation. He looked stonily at us, somehow conveying the impression that he heartily wished we would go away so he could get back to his hardware. Our chairman, a determined man, pushed matters a little.

"But look here, Mr. Kinney," the chairman said; "you mustn't drop out of the chamber of commerce. It needs you and you need it. This wouldn't be much of a town if we had no chamber of commerce to boost things and to look out for the interests of the business men."

Mr. Kinney met these truths shortly:

"I guess it don't need me so awful bad," he said. "And if there wasn't any chamber of commerce all the business men would look out for themselves. Like I am doing."

Our committee could not let such an attitude go unchallenged and each of us in turn hurled at Mr. Kinney all the facts we could think of to prove that he was in the wrong. Stung by our words he roused himself to unwonted verbosity.

"Just the same," he said stubbornly, "I'm out of the chamber of commerce and I'm going to stay out. The chamber is all right for the big fellows, I guess, like bankers and lawyers and all such, but it don't do a store-keeper like me any good. I haven't got any real estate to sell for factory sites and I haven't got any money to loan out. All the good this boasting around here does is to get my store rent boosted. So far as I can see the chamber of commerce is run by a small



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Take street cars as one illustration. The more congested the area, the more efficient street cars become—*provided free from interference by other vehicles.*

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town Baltimore they form 14 per cent of rush-hour traffic, yet haul 89 per cent of the passengers; in down-town Los Angeles, they form 4 per cent of rush-hour traffic, yet haul 66 per cent of the passengers.

Such being the case, it's an obvious betterment to restrict parking on crowded car lines, and to segregate or reroute vehicles so as to facilitate car movements. Such improvements speed up vehicles. They shorten street car and motor coach schedules, make runs more regular, bring greater comfort, speed, and safety to the public.

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"click." So let those in the "click" pay for it!"

I have told the foregoing incident because it is so typical of what every man encounters who mixes in civic affairs. There are Mr. Kinneys everywhere, in big towns and little ones; more of them, I believe, among the small and medium-sized storekeepers than in any other class. The object of this article is to set forth some suggestions that may perhaps show how the Mr. Kinneys can be made more valuable assets to their respective communities. I shall feel quite at liberty to say what I want to about the storekeeping fraternity because I have myself belonged to it for many years.

Next to good schools, a progressive and up-to-date retail district is probably the strongest factor in bringing a desirable class of residents to any town. In the average town the aggregate stocks carried by the retailers constitute by far the greatest local investment in any single line of activity. But so far very little has been done by civic bodies to assist in the proper development of the retail merchants, to make the stores along main street a civic asset.

In a certain Southern city where I was in business for a number of years an individual walked into the chamber of commerce office one day and laid a rather startling proposition before the secretary. He was thinking, he said, of opening a very elaborate retail store in the city and modestly suggested that the chamber of commerce should pay him a bonus. He had heard it was customary for progressive cities to spend money to locate new industries, and as his new store would draw people from many miles around he thought he was entitled to a donation.

How Main Streets Are Judged

THE secretary explained to the gentleman as diplomatically as possible that cities do not hire retailers to open up in their midst; that besides, there were other merchants engaged in the same line of business, members of the chamber of commerce, who might take exception to the chamber subsidizing a competitor.

The gentleman regretfully opened up his store without the bonus and after a brilliant but checkered career of a few years sank into the hands of his creditors. It was a ridiculous request, but I have always remembered what the chamber of commerce secretary said when he related the incident to me:

"I believe we ought to pay more attention to the retailers; to inaugurate some systematic plan which will help them to be more efficient. Because after all, the stranger who comes to town judges us largely by the stores along the main street."

No one will dispute that this chamber of commerce secretary was right. Commercial bodies owe it to their communities to get behind the retailers, not with money, but with assistance that will enable the retailers to better their own fortunes and at the same time serve the public more efficiently. And the biggest assistance a commercial body can give is to help the retailers do business economically.

On one occasion I attended a chamber of commerce meeting in my home town at which the speaker was the general freight agent of one of the railroads and his talk was aimed chiefly at retailers. The freight agent analyzed the situation of our town in its relation to the various manufacturing centers from whence most of us received our shipments of merchandise, and explained precisely how we should instruct our wholesalers and manufacturers in those centers to route our purchases to get the quickest service and lowest rail



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rates. One of his many illustrations was the shipment of a one-hundred pound package; he gave us the exact amount such a shipment should cost by freight from each of half a dozen centers, and what it would cost if sent by express. I think I never saw any speaker get closer attention from an audience.

I hope I may not stir up any hornets' nest when I make the statement that of all branches of American business, retail merchandising has developed least during the past twenty years. There are, to be sure, larger stores and more elaborate ones; many small cities have stores today that would have been thought impossible in 1900; everywhere retailers are maintaining their establishments in more attractive fashion than they did years ago.

But these things in themselves do not spell progress. The retailer does not produce anything. His only excuse for existence lies in his ability to pass merchandise from producer to consumer conveniently, and with the least possible spread between wholesale and retail price. Stores are generally more attractive and elaborate than they were in 1900, but there hasn't been equal progress in economy. All available statistics show that it costs just as much to sell merchandise across the retail counter as it did twenty years ago. In many cases more.

Not long ago a very successful merchant made this statement to me:

"Almost anyone with a couple of thousand dollars can open up a little one-man store and make money for a while. It is when he takes on his first clerk that his troubles begin."

Some Foreign Observations

JUST this is the reason why so many well-meant plans for reducing the cost of retailing usually fail of their object. Theoretically, the great chain organizations that have developed so largely during the past few years, with their tremendous buying power and standardized methods, ought to crowd out the private retailers. But the chain organizations have to contend with the problem of delegated authority, which is the same thing, but on a larger scale, that happens to the one-man storekeeper when he takes on his first clerk.

In a recent eight months stay in England and France I have had opportunity to make a rather close study of retail conditions in those countries, and found that as a rule English and French retailers sell their merchandise at a closer profit than American retailers. They do, nevertheless, manage to make money; retail failures are rare.

There are a number of reasons for this state of affairs. In the first place, it is harder for a man to get into merchandising abroad than here, because over there credit is much harder to get. In practically all lines wholesalers and manufacturers sell to the retailers on thirty-day terms and any merchant who cannot pay his bills on due date finds it hard to get his supplies.

Abroad, too, retailing is looked on as a profession to be learned the same as law, medicine or engineering. The apprenticeship system is in vogue, not only in the training of retail salespeople but for the men who are to direct retail enterprises. Sons of retailers are sent away from home to learn the business; one British retailer in a city of less than 75,000 population told me there were in his employ seven young men, sons of merchants in various parts of the Kingdom, who were apprenticed to him, and who would go home after serving their time to enter their fathers' establishments.

Another feature, and perhaps one of the



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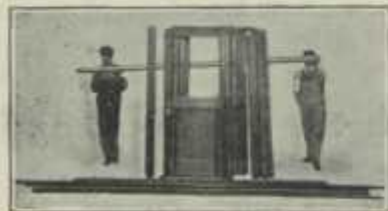
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most important from the standpoint of economy, lies in the fact that in European countries there is very little of what is called "shopping around." I happened on one occasion to be in the town of Salisbury, in England, and dropped into the leading jewelry store for a chat with the proprietor who was also the president of the local chamber of commerce.

As I stood there a well dressed woman came in and asked a clerk to show her some diamond rings. Remembering that a jeweler friend at home had once told me that he showed diamond rings on an average of fifteen times to one sale, I asked the English proprietor if he expected his clerk to do business with the lady before she had been around to the other stores. The Englishman seemed rather surprised at my question.

"Of course the lady will buy," he said, "if we have what she wants. Why shouldn't she? She knows this is a reputable establishment and that we can give her as good values as anywhere. She wouldn't think of wasting her own time and ours by running all around town to look."

"I go to the United States every year to buy goods and naturally I visit among the retailers in my line while I am there. I am always struck with the useless extravagance of the 'shopping around' habit. I don't know whether it is the fault of the merchants or of the public, but I do know it costs a lot of money."

"Take the item of clerk hire alone, for example. The last time I was in New York I compared notes with a retailer friend in my line and I found that his individual salespeople took in on an average only about half of the amount of money that mine do."

Our Retail Store Recruits

RETAIL merchandising in this country is ordinarily a less exact affair than it is abroad, and I hope I can explain the reasons without offending any of my brother storekeepers. Here there are few retail enterprises handed down from father to son; new blood is entering it all the time and the new ones are not always experienced in real business ways.

Usually the man who becomes a retailer is of the "salesman" type, and for obvious reasons. For instance, two boys graduate from high school and both get employment in one of the stores on Main street. One of them has a talent for figures and so is put back in the office to do the simpler jobs of bookkeeping. The other boy who shows signs of being a mixer is put behind the counter to learn the art of salesmanship. In this position he makes the acquaintance of the spenders of the community and if he becomes an exceptionally good salesman eventually he may get a chance to go into business for himself either through money borrowed on the strength of his capacity to sell, or through the backing of some wholesale house that wants an outlet for its merchandise in the town.

But mere ability to sell goods does not necessarily mean ability to run a business successfully, as is so constantly being proved. Successful retailing requires a talent for skillful buying as well as selling; for financing; for handling employees; for keeping expenses in reasonable ratio with receipts. To be a successful merchant in fact requires the same abilities that are required in any other line of business, and even more in a great many instances.

A few weeks ago I was in a small city in New York State, and called on the active vice president of one of the banks. The gentle-



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Stumptown

ARCHITECTS now know that American Walnut is not only the richest and most beautiful of cabinet woods, but the most practical.

For walnut wears and wears. And time only adds to its beauty. Its soft tones are restful. Its multiplied variety of pattern and design lends the charm of ever new effects.

Its durability recommends it for offices and public buildings. Its color, grown in the fibres, is not due to surface staining. So it is not easily marred by hard use. And this makes it economical of upkeep.

Many of the finest offices are now finished and furnished in walnut. Its quiet dignity lends new impressiveness to handsome interiors.

The great vogue of American Walnut is a true reflex of its superiorities. It has justly been styled the "champion of champions" among fine cabinet woods. Its easy working qualities delight the cabinetmaker and carver. Its strength insures stability. Its resistance to climatic changes prevents warping and cracking. All valuable characteristics when considered as a permanent investment.

May we send you our beautiful book, "The Story of American Walnut?" We will gladly mail you a copy if you will write for it.

AMERICAN WALNUT MANUFACTURERS' ASSOCIATION
Room 849, 616 South Michigan Avenue Chicago, Illinois

When writing to AMERICAN WALNUT MANUFACTURERS' ASSOCIATION please mention the Nation's Business

The Ivanhoe Trojan for good commercial lighting.



The Transportation Building, Washington, D. C. More than 350 IVANHOE Trojan units provide illumination for its offices.

Washington Welcomes Ivanhoe Lighting

"The Transportation Building—one of Washington's largest and most modern office buildings," says the well-informed guide to the Nation's Capitol.

No stronger evidence could be offered of Washington's preference for modern lighting than the selection of IVANHOE Trojan units in this magnificent building. These units were selected after the most careful competitive tests. More than 350 were installed.

We take great pride in the many favorable comments made by owners, architects and tenants, on the lighting of this building.

"GOOD Commercial Lighting" contains the answer to 16 important questions that every purchaser of commercial lighting should ask about lighting units before purchasing. If you are a building owner or tenant, you will be interested in the helpful and up-to-date information this folder contains. Ask for your copy.

IVANHOE DIVISION
of The Miller Company
Cleveland, Ohio

IVANHOE

GLASS SHADES - STEEL REFLECTORS

OUR records show that Ivanhoe commercial lighting units are used in well known office buildings and in the offices of nationally-known manufacturers in every state in the Union. Below we give a partial list of these installations of "profitable lighting."

S. S. White Dental Mfg. Co.
University of Pennsylvania
Franklin Institute
Charleston General Hospital
Salt Lake Temple
Paulsen Bldg., Spokane
Parks Davis Drug Co.
Cotton Exchange, Houston
Columbia Rope Co.
Beverage Paper Co.
Montgomery Ward & Co.
Munisingwest Corporation
Packer Pen Co.
Candler Building, Atlanta
Nemo Corset Co.
Coty Perfumery Co.
National Malleable Castings Co.
Maverick Bldg., San Antonio
Oliver Street Trust Bldg., Boston
Jackson Bldg., Buffalo
New York Life Bldg., N. Y. C.
Hudson Terminal Bldg., N. Y. C.
Union Trust Co., Cleveland
Rockefeller Bldg., Cleveland
Hammond Bldg., Detroit
Scribner Bldg., Detroit
Standard Oil Co., Toledo
Alaska Bldg., Seattle
Empire American Bank Bldg., Seattle
Ranier Bldg., Seattle
Edwards Bldg., Washington
Federal Reserve Bank Bldg., Kansas City
Interurban Bldg., Dallas
Mercantile Bank & Trust Bldg., Dallas

man was engaged with one of the bank's customers in his little railed-in office and from where I waited my turn I could not help hearing what he was saying. The customer was a merchant who was thinking of leasing larger and more expensive quarters on the main street and had come to the banker for advice. The banker listened patiently and at the finish asked the merchant some questions.

"Your expenses would be a lot higher in that Main Street location," he said, "and you would have to carry a bigger stock. It would cost considerable, also, to fit up the new place. How do you expect to finance these things? Have you got a cash surplus that you can lay your hands on for the purpose?"

The merchant admitted he did not have a cash surplus. His idea was, he said, that he would get a loan from the bank and pay it back out of the next year's profits. Evidently the merchant considered this a wise and reasonable procedure, but the banker did not.

"Your plan sounds attractive," the banker said, "but it has one little flaw. And the flaw is, that you are counting on paying off a debt with future profits. The debt would be a fixed, unchangeable amount. The profits would be problematical. The two things don't match. Any way you put it, it is a speculation and the first rule of business is that no man has any right to speculate on borrowed money."

The merchant went away, probably disappointed, but with a better conception of business principles. I could not help thinking it was too bad that the banker had not said what he had to say to a whole roomful of chamber of commerce members instead of to a single individual.

A Luncheon School for Merchants

THE chamber of commerce in a certain southern city at one time started an educational movement along the lines of retailing that seemed particularly good. It was interrupted by our entrance into the war and has not, I believe, been taken up again. Briefly, it was this: the chamber, recognizing the value of sound retailing methods to the community, proposed to inaugurate a series of monthly luncheon meetings, open to all members, but of particular interest to merchants, at which there would be talks by men qualified to speak on merchandising.

This is a plan, it seems, that might be adopted by chambers of commerce generally. It may appear at first thought that it is too ambitious for the small-city body to undertake; that the great trouble would be in getting suitable lecturers.

The answer is, that it is not necessary to get "lecturers" at all. In every community there are men who know things that other men would like to know, and who can impart their knowledge in simple, every day language.

Every business man, whether or not he might happen to be a merchant, would be intensely interested in hearing a local banker tell just what he thinks about when considering an application for a loan. What kinds of operations are considered legitimate from the bank's standpoint?

One of the merchant's most vital problems is that of handling his help. People are people whether they work in a store or in an industrial plant; and a factory executive experienced in directing scores or hundreds of employees could always find something constructive to say, even though the majority of his listeners employ no more than half a dozen.

At least, I think it's worth a trial.

Remington



Operators everywhere are changing to the Quiet 12

Never before, in the fifty years of typewriter history, has a new model aroused such enthusiasm among operators—so pronounced are its many advantages.

Its operation is surprisingly easy. Its exceptional responsiveness, "natural" touch, simple adjustability, and the fine balance of the whole machine, lessen much of the old effort. And the beauty of the writing is a source of pride to every typist.

The Quiet 12 costs no more than the ordinary typewriter. Easy payment terms if desired.

Every operator should try this new machine—in the interest of her employer and in justice to herself.

REMINGTON TYPEWRITER COMPANY
374 Broadway, New York—Branches Everywhere

Remington Typewriter Company of Canada, Limited; Main Office, 68 King St. West, Toronto

There is a Remington for Every Need

REMINGTON QUIET 12
for general office use

REMINGTON PORTABLE
for personal writing

REMINGTON ACCOUNTING
MACHINES
for all bookkeeping

REMINGTON-NOISELESS
where silence is desired

WE BELIEVE WE MAKE THE BEST TYPEWRITER RIBBON IN THE WORLD—AND ITS NAME IS PARAGON



Main London Office
32 Lombard St., E. C. 3

For Your Business with Europe

AS progress is made toward the economic rehabilitation of Europe, business men are considering how their own immediate interests will be affected.

In carrying out a foreign trade policy the bank with which a business house allies itself is a most important factor.

Eight branches of this Company abroad, located in London, Paris, Brussels, Liverpool, Havre, and Antwerp, place a valuable service at the disposal of American exporters and importers.

These offices handle a large volume of the banking transactions incident to the export of American commodities to Europe and importations into the United States.

This Company finances a substantial portion of American cotton exports and shipments of food products, raw materials, and manufactured goods, originating in every section of the United States.

To those companies now doing export or import business with Europe or planning to enter this trade, the Guaranty Trust Company offers exceptional facilities and the helpful cooperation which an American bank with American branches abroad is in a position to render.

Guaranty Trust Company of New York

MAIN OFFICE: 140 BROADWAY, NEW YORK

LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP

Another 150 Names Added to Roll of Honor

THE NATION'S BUSINESS last month printed a list of 190 chambers of commerce and trade associations which have adopted the Principles of Business Conduct put forth by the United States Chamber of Commerce at its last annual meeting. This month we add 145 organizations. Geographically it is interesting, for it goes from Constantinople on the east to Honolulu on the west, and from Nome, Alaska, on the north to Port-au-Prince, Haiti, on the south. One omission of last month must be remedied. The first trade association to endorse the code was left out. That place on the roll of honor belongs to the National Association of Sheet and Tin Plate Manufacturers.

ALABAMA

The Bessemer Chamber of Commerce, Bessemer.

ALASKA

Northwestern Alaska Chamber of Commerce, Nome.

CALIFORNIA

Bakersfield Civic Commercial Association, Bakersfield.

Beverly Hills Chamber of Commerce, Beverly Hills.

Chamber of Commerce of Eureka.

Fullerton Chamber of Commerce, Fullerton.

Orange County Harbor Chamber of Commerce, Newport Beach.

Oakdale Chamber of Commerce, Oakdale.

Oceanside Chamber of Commerce, Oceanside.

Chamber of Commerce and Civic Association of Pasadena.

San Fernando Chamber of Commerce, San Fernando.

California Forest Protective Association, San Francisco.

Dried Fruit Association of California, San Francisco.

Chamber of Commerce of San Jose.

Santa Rosa Chamber of Commerce, Santa Rosa.

Chamber of Commerce of Whittier.

The Yorba Linda Chamber of Commerce, Yorba Linda.

COLORADO

The Denver Chamber of Commerce, Denver.

Chamber of Commerce of Fort Collins.

CONNECTICUT

Chamber of Commerce of Greenwich.

Manufacturers' Association, Inc., Bridgeport.

FLORIDA

Standard Container Manufacturers, Jacksonville.

Miami Beach Chamber of Commerce, Miami Beach.

Orange County Chamber of Commerce, Orlando.

IDAHO

Lewiston Commercial Club, Lewiston.

Wallace Board of Trade, Wallace.

ILLINOIS

Cairo Association of Commerce, Cairo.

American Washing Machine Manufacturers Association, Chicago.

Chicago Association of Commerce, Chicago.

Gas Products Association, Chicago.

National Container Association, Chicago.

The National Dairy Council, Chicago.

The National Ladder Manufacturers Association, Chicago.

National School Supply Association, Chicago.

Ottawa Chamber of Commerce, Ottawa.

Chamber of Commerce, Rock Island.

Sterling Association of Commerce, Sterling.

INDIANA

Clinton Chamber of Commerce, Clinton.

Chamber of Commerce of Fort Wayne.

Chamber of Commerce of Michigan City, Michigan City.

Valparaiso Chamber of Commerce, Valparaiso.

IOWA

Association of Commerce, Centerville.

Dubuque Chamber of Commerce, Dubuque.

Mason City Chamber of Commerce, Mason City.

Greater Waterloo Association, Waterloo.

KANSAS

Caney Chamber of Commerce, Caney.

El Dorado Chamber of Commerce, El Dorado.

Chamber of Commerce of Salina.

KENTUCKY

Chamber of Commerce of Frankfort.

Owensboro Chamber of Commerce, Owensboro.

Lead

*—in your telephone**

IN the manufacture of telephones, switch-boards and telephone cable, Western Electric looks to the mines of Missouri for millions of pounds of lead each year.

These great shipments, in combination with other metals, are put to a variety of uses—ranging from the little dabs of solder on the terminals of cords inside your telephone to the heavy protective covering on the miles of telephone cable over which you talk.

In these and other ways lead plays an important part in telephone service. How to handle this heavy material, how to apply quicker and better and more economical methods in moulding and pressing it, is a knowledge which Western Electric has acquired through fifty-five years' experience.

*No. 9 of a series
on raw materials.



From the lead mine to a spool of solder—for permanent electrical connections between many small telephone parts.



How the telephone cable is covered with a hard yet flexible lead sheathing. One of many machines constantly busy, to meet the nation's requirements.



The amount of lead used in a year by Western Electric is greater than the displacement of a giant steamship like the White Star liner *Homeric*.

Western Electric

SINCE 1869 MAKERS AND DISTRIBUTORS OF ELECTRICAL EQUIPMENT



Forty million dozen eggs a year from Illinois to New York City

*How far afield must the great city of today
look for its vast food supply?*

THE New York market alone consumed 214,000,000 dozen eggs in 1923. They came not only from Illinois, but from Iowa, Indiana, Ohio, Missouri, New York, California and many other states—from Canada, Denmark, China, Argentina and Australia—

And 22,000 car lots of citrus fruits—bought in Florida, California, Cuba, Porto Rico and Italy—

And onions from Egypt—potatoes from Maine—figs from Smyrna. More than 172,000 cars of fruits and vegetables a year shipped to a single market! Yet the shipment of food represents only one phase of the commercial exchanges taking place constantly between trading centers all over the world.

With this trade development the Irving Bank-Columbia Trust Company has been actively associated for nearly three-quarters of a century.

Its long experience enables the Irving-Columbia to handle every type of financial transaction, over any distance, with safety and dispatch—determining credit standings; locating and forwarding lost shipments; making collections promptly.

For the convenience of our out-of-town customers, this complete service—backed by all the resources and facilities of a great financial institution—is now concentrated in our Out-of-Town Office.

IRVING BANK-COLUMBIA TRUST COMPANY

NEW YORK

LOUISIANA

Lake Charles Association of Commerce, Lake Charles.
New Orleans Association of Commerce, New Orleans.

MASSACHUSETTS

Eastern Shook and Wooden Box Manufacturers Association, Boston.
National Employment Board, Boston.
Associated Wooden Ware Manufacturers, Fitchburg.
Chamber of Commerce of Holyoke.
New Bedford Board of Commerce, New Bedford.
The Newburyport Chamber of Commerce, Newburyport.

MICHIGAN

Albion Chamber of Commerce, Albion.
Bay City Chamber of Commerce, Bay City.
Chamber of Commerce of Buchanan.
Chamber of Commerce of Fremont.
National Alliance of Furniture Manufacturers, Grand Rapids.
Lansing Chamber of Commerce, Lansing.
The Michigan Retail Hardware Association, Marine City.

MISSISSIPPI

Chamber of Commerce of Greenwood.

MISSOURI

The Boonville Chamber of Commerce, Boonville.
National Association of Retail Grocers of the U. S., Kansas City.
National Leather and Shoe Finders' Association, St. Louis.
National Team and Motor Truck Owners' Association, St. Louis.

MONTANA

Great Falls Commercial Club, Great Falls.

NEBRASKA

Columbus Chamber of Commerce, Columbus.
Omaha Grain Exchange, Omaha.
York County Commercial Club, York.

NEVADA

Reno Chamber of Commerce, Reno.

NEW HAMPSHIRE

Manchester Chamber of Commerce, Manchester.

NEW JERSEY

The Chamber of Commerce of Rutherford.

NEW MEXICO

Grant County Chamber of Commerce, Silver City.

NEW YORK

Wholesale Stationers' Association of U. S. A., Brooklyn.
Geneva Chamber of Commerce, Geneva.
Jamaica Board of Trade, Inc., Jamaica.
Board of Commerce, Lockport.
American Institute of Accountants, New York.
National Association of Glue Manufacturers, New York.
National Association of Life Underwriters, New York.
National Automobile Chamber of Commerce, Inc., New York.
National Jewelers Board of Trade, New York.
New York Tow Boat Exchange, Inc., New York.
Swedish Chamber of Commerce, New York.
Valve and Fittings Institute, New York.
Owego Chamber of Commerce, Inc., Owego.

NORTH CAROLINA

Chamber of Commerce of Durham.
Chamber of Commerce of Gastonia.
New Bern Chamber of Commerce, New Bern.

OHIO

The Canton Chamber of Commerce, Canton.
The American Malleable Castings Association, Cleveland.
The Cleveland Chamber of Commerce, Cleveland.
Grey Iron Founders' Association, Cleveland.
National Cloak, Suit and Skirt Manufacturers Association, Cleveland.
National Council Lighting Fixture Manufacturers, Cleveland.
Ohio Retail Dry Goods Association, Columbus.
United States Potters Association, East Liverpool.
Findlay Chamber of Commerce, Findlay.
The Kenton Chamber of Commerce, Kenton.
The Chamber of Commerce of Lancaster.
Marion Chamber of Commerce, Marion.
Newark Chamber of Commerce, Newark.
St. Marys Chamber of Commerce, St. Marys.
Chamber of Commerce of Zanesville.

OKLAHOMA

Marlow Chamber of Commerce, Marlow.

OREGON

Corvallis Chamber of Commerce, Corvallis.
Dallas Commercial Club, Dallas.
Klamath County Chamber of Commerce, Klamath Falls.
Oregon City Chamber of Commerce, Oregon City.

Oregon State Chamber of Commerce, Portland.

PENNSYLVANIA

Grove City Commercial Club, Grove City.
 Johnstown Chamber of Commerce, Inc., Johnstown.
 Newport Chamber of Commerce, Newport.
 Pennsylvania and Atlantic Seaboard Hardware Association, Philadelphia.
 National Association of Sheet and Tin Plate Manufacturers, Pittsburgh.
 National Pipe and Supplies Association, Pittsburgh.
 Reading Chamber of Commerce, Reading.
 Chamber of Commerce of Beaver Valley, Rochester.
 Chamber of Commerce of St. Marys.

SOUTH DAKOTA

Aberdeen Commercial Club, Aberdeen.
 Chamber of Commerce of Sioux Falls.
 Chamber of Commerce of Vermilion, Vermilion.
 Yankton Chamber of Commerce, Yankton.

TEXAS

Chamber of Commerce and Agriculture, Elctra.
 Houston Cotton Exchange and Board of Trade, Houston.

UTAH

Box Elder Commercial Club, Brigham City.
 Ogden Chamber of Commerce, Ogden.
 Utah Manufacturers Association, Salt Lake City.

VIRGINIA

Danville Chamber of Commerce, Danville.
 Newport News Chamber of Commerce, Newport News.

WASHINGTON

Washington State Chamber of Commerce, Seattle.

WEST VIRGINIA

Wheeling Chamber of Commerce, Wheeling.

WISCONSIN

Ashland Chamber of Commerce, Ashland.
 Knitted Outerwear Manufacturers Association, Western District, Milwaukee.
 Wisconsin Retail Lumbermen's Association, Milwaukee.
 Waukesha Association of Commerce, Waukesha.

FOREIGN

Chamber of Commerce of Honolulu, Hawaii.
 American Chamber of Commerce of Haiti, Port-Au-Prince, Haiti, W. I.
 American Chamber of Commerce of Italy, Naples, Italy.
 American Chamber of Commerce of the Levant, Galata, Constantinople, Turkey.

What Muscle Shoals Bids Mean to Nation

WHEN Congress convenes in the fall the much-wrangled Muscle Shoals question will again come up for decision. *Industrial Management* thinks that not many "besides those who have made an intimate study of the situation are conversant either with the present development of the . . . properties or of the four bids . . ." Therefore, we quote from this journal's interesting view of the matter: "The big question which must be determined by our legislators is that of ultimate public benefit. Two of the plans or proposals, that of the Hooker-Atterbury-White Corporation and that of the Union Carbide Company, center about the production of fertilizer, the two plans differing as stated above in that the Hooker-Atterbury-White proposal is to operate on behalf of the Government and not on lease. The public interest primarily involved in these two plans is, aside from their monetary returns, the maintenance of highly equipped nitrate plants for war emergency and the large scale production by experts and specialists of cheaper and better fertilizers. Agriculturally, this is of great importance, and it is of course recognized that agriculture is the basis of our national wealth and prosperity."

"The center of public interest in the Southern Power Companies' proposal lies in the extension of our national super-power plan. Fertilizer production, while being maintained, would naturally be a secondary issue."

"The public interest in the Ford plan lies in the industrial development of this section of the country which would probably occur under the management of Henry Ford. It is quite likely that he would establish here an enormous chain of industries. It is unlikely that he would have much power to dispose of beyond that required by his own industries."



What Happened? in Cincinnati?

SUCCESSFUL CHAMBER OF COMMERCE CAMPAIGN

- Consolidated Ability and Desires of City's Leaders
- Intensified Civic Spirit—Organized Public Opinion

STANDARD OLD Cincinnati—conservative, easy going metropolis of the Middle West woke up with a start. More than \$2,000,000 had been raised by OUTRIGHT GIFTS for a new Masonic Temple (an unequalled feat so far as is known).

Almost overnight the city had given birth to a new spirit. The citizens had suddenly discovered their ability to get together and do big things. Along with this newly found strength came an impelling desire for new fields to conquer.

So they got behind the Chamber of Commerce "Program of Progress" and raised over \$400,000 above and beyond the regular income—thus providing a substantial fund for enlarged activities in Industry, Trade Expansion, Transportation, Promotion and Publicity, and Civic Development.

In these two campaigns—as in all campaigns under our supervision—the matter of money raising was secondary, the real success of the campaign being measured by the united citizenry, the permanent good will, fellowship and cooperation that is established. Long, successful experience in financial campaigns of all kinds, has given us the ability to diagnose local conditions and to prescribe for them in such a manner as to indelibly instill this spirit of accomplishment and determination in the community at large. Our staff is composed of experts. Our campaigns are all handled on the Guaranteed Cost Basis.

WE INVITE CORRESPONDENCE FROM CHAMBER OF COMMERCE SECRETARIES

Perhaps you are hampered by a situation that could be remedied by an intensive plan of action—factions consolidated and faced toward a common perspective. We would welcome the opportunity of sitting down with you and talking over matters.

A conference with us does not obligate you in any manner.

HERBERT B. EHLE & CO. INC. 15 Park Row New York

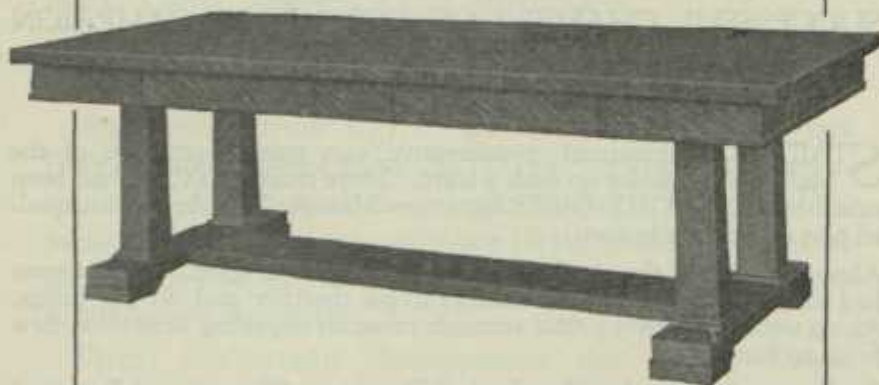
FINANCIAL CAMPAIGN COUNSELORS TO COLLEGES HOSPITALS
FRATERNITIES COMMUNITY CHESTS SOCIAL AGENCIES

**Kingdoms have been made
and broken, statesmen have
been elevated and demoted,
millions of dollars have
been won and lost as a
result of conferences held
around**

SAMSON

OFFICE AND DIRECTORS' TABLES

Over 200,000 in use in Industry



**Samson Tables are Work-benches of
the Industries and Professions**

Their 27 styles and 150 sizes in impressive Walnut and Mahogany and practical Oak, provide a table for every business need. SAMSON TABLES reflect 30 years of a manufacturer's tireless efforts to give the Industries and Professions work-benches appropriate in every respect.

Let us send you, without obligation, our catalog and some facts concerning the new note in office furnishing. Your office outfitter carries the SAMSON line.

Mutschler Brothers Company

1004 Madison St. Nappanee, Ind., U. S. A.

"Lead, the Precious Metal"—A Review

By EDWIN E. SLOSSON

Director of "Science Service"

TO MAKE each metal in turn the topic of a book, as the Century Company is doing, is a clever scheme, and to make the book readable as well as informing, as O. C. Harn has done in the case of "Lead, The Precious Metal," is a genuine achievement.

This book concentrates our scattered and casual information, and gives us a new appreciation of the part the particular element plays in our daily lives. This is especially needed in the case of lead, an unpretentious metal disesteemed by the artists and unpopular with the poets, who are captivated by the glitter of gold, the luster of silver and the sheen of steel. Yet, if it were not for lead the artist would be deprived of some of his brightest colors and the poet could not put his verses into print. The leaden bullet has won more wars than the shining sword, yet history has less to say about it. And lead saves more lives in peace than it takes in battle since we depend upon it for our sanitation and protection against the most dangerous enemies of mankind, the microbes.

The beginner in chemistry is always puzzled to understand why lead should be designated by such strange initials as "Pb," neither of which letters occurs in its name as he spells it. Yet the Romans, who called it "plumbum," made much use of it and have contributed many words to our vocabulary as evidence. A plumber is literally a "leader" whether he is heaving the lead in sea soundings, or employing the plumb-bob making a wall upright, or putting lead pipes into a building.

A Chance the Romans Missed

HOW OFTEN has the world missed by a narrow margin its greatest inventions. It is startling to see a piece of lead pipe, part of the plumbing of the baths of ancient Rome, bearing the name of the Emperor Vespasian and of the builder Callistus, in raised block letters, looking like the curved sheet of a stereotyped page prepared for the press. If only some Roman had happened to have been struck with the notion of inking the type and rolling it over a sheet of parchment of papyrus, printing would have been discovered over 1800 years ago and the Dark Ages might have been prevented.

In the fantastic scheme of alchemists, lead is the metal of Saturn and truly it seems to partake of the double nature of its deity, who inspired both the "saturnine" disposition and the carefree "saturnalia." So lead is looked upon as a dull metal by those who have never seen it freshly cast from the melting pot, when it rivals silver in its sheen, or the rainbow in its colors.

It is to lead in its camouflage that we owe the dazzling white of the wooden house or the gaudy red of the steel structure. Lead is ordinarily opaque, yet it is lead that gives to cut glass tableware its brilliancy, and to optical glass its transparency and refractive power. It is through lenses and prisms made largely of lead that the faintest star may be brought within sight and forced to reveal in its spectrum the elements of which it is composed. Glass that is three-quarters lead is particularly clear and brilliant.

The chunk of lead that now seems so

While We're Talking Taxes—

EVERY BUSINESS MAN recognizes that taxes have become a serious business problem.

The manufacturer, for instance, sees this vicious circle in action—*higher taxes increasing overhead; higher overhead lifting selling prices; higher selling prices decreasing volume; decreased volume lifting overhead per unit of production; increased overhead lifting selling prices and so on and on in endless and costly procession.*

Every manufacturer realizes that it would be suicidal for him to erect a factory that needed to be rebuilt in whole or in part every few years. Yet business men are permitting their local, county and state governments to follow just as short-sighted practices—and taxes climb.

Take *Paving*, for example.

A community can buy pavements that will endure a generation or more, or it can buy pavements that will "eat their heads off" in maintenance and repairs. And all the while the interest on the bonds goes merrily on and you bear the double burden of interest and excessive upkeep.

You may have looked on road-repair gangs as evidences of good public management. An occasional gang is—too frequent road-gangs are damning evidence of lack of foresight, of a penny-wise policy that saw only first cost in pavement-building and shut its eyes to the truth that the only sensible pavement is the one which will *outlast the bonds that pay for it.*

Many a community today is still paying interest on bonds issued to build pavements that no longer exist.

On the other hand, there are scores of communities today giving the hardest of modern

usage to vitrified brick pavements designed and *laid twenty to thirty-five years ago* for much lighter traffic. First cost was long ago absorbed—bonds long ago retired—and upkeep costs have been trivial.

Who pays the cost of faulty foresight?

The tax-payer—and the great bulk of taxes are paid by manufacturers, merchants and large corporations. **YOU pay the piper!**

Think this over.

Can you name a single pavement in your locality, *other than vitrified brick*, which has given you even *twenty years of satisfactory service* as originally laid? (Don't fail to read the side panel.)

How is your community handling the paving question?

Is it building with vitrified brick, *the pavement that outlasts the bonds?*

It's up to you.

It's up to you whether you are paying needlessly higher taxes than your competitors in other sections where paving is more wisely chosen.

It's up to you.

Springfield, Illinois, is using a 35-year-old brick pavement. *Lincoln, Nebraska*, owns a 34-year-old veteran. *Clearfield, Pa.*, and *Bucyrus, Ohio*, profit by 33-year-old brick streets. *Lynchburg, Va.*, points to 32-year-old brick surfaces in good condition—so do *Winona, Minnesota*, and *Clinton, Iowa*. *Tonawanda, N. Y.*, has several brickpaved streets with 31 years of faithful service behind them—so has *Cleveland, Ohio*. And in the 30-year class are *Joliet, Danville* and *Carlinville, Illinois*, *Meridian, Miss.*, *East St. Louis*, *Williamsport*, and *Sewickley, Pa.* And the foregoing list represents no effort to make an exhaustive search for old brick pavements. (Holland, by the way, is using brickpaved roads laid a hundred years ago.)



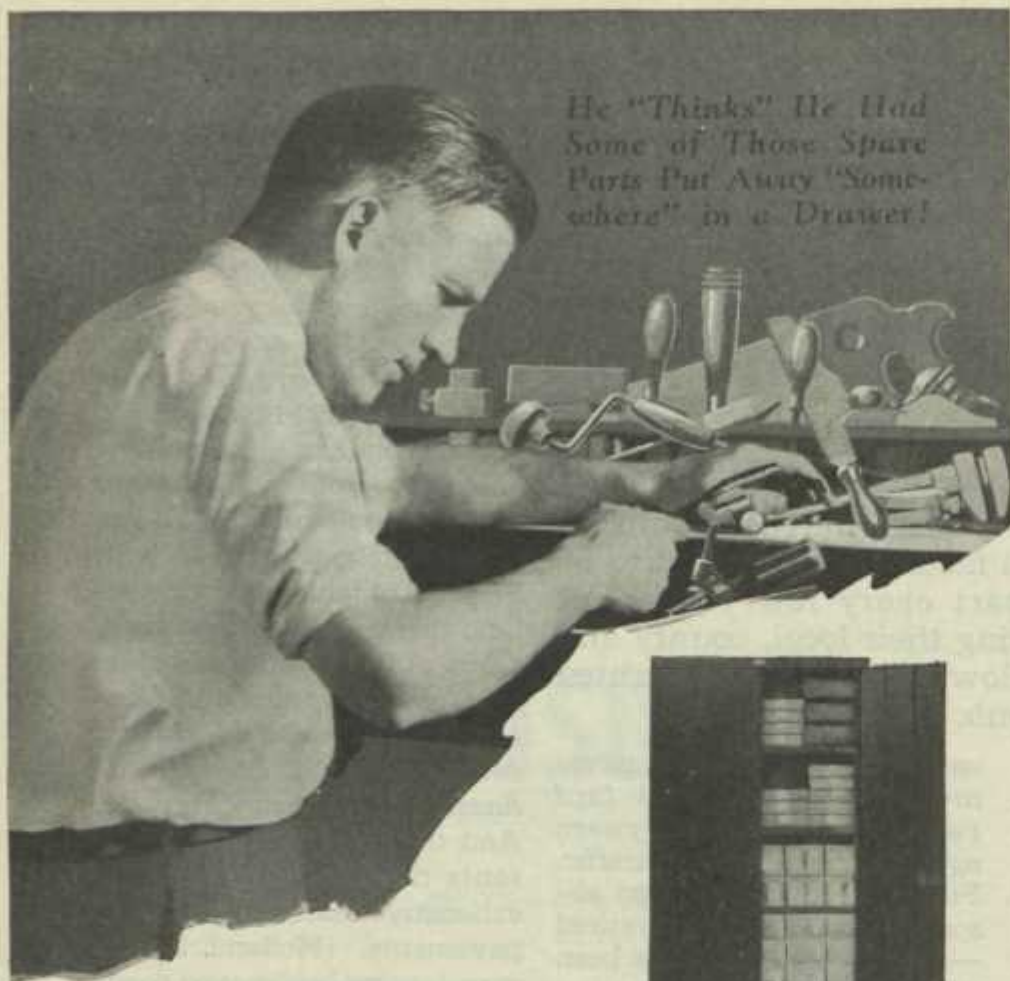
Any business man desiring facts and figures taken from public records, showing the comparative costs of vitrified brick and other materials for installation and upkeep will gladly be supplied by our secretary. The material supplied will be effective in convincing your neighbors and fellow-businessmen of the wisdom of insisting on vitrified brick.

...

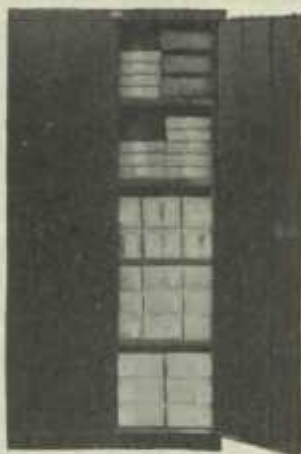
NATIONAL PAVING BRICK MANUFACTURERS ASSOCIATION
ENGINEERS BLDG. CLEVELAND, OHIO

VITRIFIED
Brick
PAVEMENTS
KEEP TAXES DOWN





He "Thinks" He Had
Some of Those Spare
Parts Put Away "Some-
where" in a Drawer!



Give Him a Van Dorn Storage Cabinet

Pawing over a jumbled up bunch of tools and spare parts jammed together in some obscure place detracts from the real work in hand and takes valuable time. It doesn't show on the records, but the time is lost—and time is money!

Van Dorn Steel Storage Cabinets provide a convenient and efficient manner of keeping tools and other materials in systematic order for use exactly when needed. The cabinets may be locked securely and are insurance against loss by petty thieving, fire, water, dust, rust, and dampness.

May we send you our Storage Cabinet Catalog?

THE VAN DORN IRON WORKS COMPANY, CLEVELAND

BRANCHES

Cleveland

New York

Chicago

Philadelphia

Washington

Pittsburgh

Van Dorn

MASTERCRAFTSMANSHIP
IN STEEL

When writing to THE VAN DORN IRON WORKS COMPANY please mention the Nation's Business

lifeless and dull may once have been the liveliest of elements. For lead is the corpse of radium. After that eruptive element gets over its fits of shooting out alpha, beta and gamma rays, which it does in the course of several thousand years, it settles down to lead a quiet life as lead until the end of time. It has sown its wild oats, its electrons, helium nuclei and X-rays, and it becomes as tame as any element. "Radium—G" is the genealogical name of lead and it is tenth in descent from radium and sixteenth in descent from uranium, mother of elements.

And having reached this calm and passive state, lead becomes the most impenetrable of armor for the protection of the X-ray operator against the rays of a similar sort to those which it used to emit in its fiery youth. The staunchest of conservatives is a reformed radical; witness Mussolini.

Before the war the United States produced normally more than a third of the total world production and had reached an output of 1,300,000 tons in a single year. The effect of the war on production may best be summarized in the author's own words:

For many years the world looked to Spain for the greater part of its lead supply. In 1897 Spain was caught and passed as a lead producer by the United States, but in 1913 it was still second only to this country . . .

Germany was and is a great source of lead, ranking next to Spain. In 1913 the output in Germany was 207,000 tons. The distractions of war gradually reduced the tonnage, and since the war the award to Poland of large districts in Upper Silesia, which produced half of Germany's total, has reduced Germany's possibilities as a contributor to the world supply. Nevertheless her output in 1921 was 79,000 tons, which, in view of the shrinkage the world over in lead mining, was sufficient to hold Germany in third place.

Mexico in 1921 came fourth with an output of 66,000 tons, and Australia fifth with 62,000 tons. With Canada's 34,000 tons added to the supplies of Mexico and the United States, North America in 1921 produced 503,000 tons, or more than half (53 per cent) the lead output of the world. This proportion has been even higher in other years when Mexico and the United States were producing more nearly capacity quantities. In 1921, because of the slump in world production, the United States produced nearly 48 per cent of all lead mined. Asia had not until recent years been an important factor; but the Burma district of India has been developing, and in 1921 it supplied 37,000 tons, most of which went to England.

This volume on lead is by no means leaden in style and can be recommended alike to the general reader and the expert. The former will find it full of novelty and the latter will find in it something he did not know before or, at any rate, had not thought about.

Effective Collection Letters, by Tregoe & Whyte. Prentice-Hall.

This valuable contribution to the art of letter-writing avoids the danger of "a little knowledge" and taps the Elysian Spring for a long draught. That the subject of collection letters has been treated exhaustively is shown by a glance at the list of those "to whom grateful acknowledgment is made"; and at the contents, itself a lengthy enumeration of about 75 topics discussed.

The authors have attacked the problem of the good collection letter, which they define as "one that obtains the payment of a past-due account and retains the good-will of the customer," by beginning with fundamentals. The psychology and philosophy of collecting money from dilatory or recalcitrant debtors is discussed. The necessity of avoiding stereotyped forms is emphasized; and the desirability of adapting the letter to the

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try, there are hundreds of great mills built of Mill Construction, and protected by the sprinkler system against inside fires, on which the losses from fire over a recent three-year period have averaged only 3½ cents per \$100.00 of insurance written.

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individual case is impressed thus: "Visualize your customer; individualize and personalize your letters to him."

Seasonal differences and local conditions which affect the income of the customer are brought out with unusual clarity. These are illustrated by a series of charts covering every section of the United States. Every possible appeal to customer-honor, credit standing, self-interest and even fear—is given consideration. Proper distinctions are drawn between wholesale and retail problems in collecting accounts by mail.

By far the greater portion of the book is devoted to actual collection letters, culled from numerous and widespread sources and covering every imaginable phase of collecting. It would be indeed a perfect credit manager who could not derive some new ideas from reading these letters. A brief descriptive comment precedes each letter or sequence of letters, which are classified as follows: Wholesale Collection Letters; Retail Collection Letters; Exchanges; Collection Devices; Stunt Letters and Humorous Letters; Letter Sequences; Poor Collection Letters.

Undoubtedly the book takes a long stride forward in whipping the present amorphous mass of letter-writing information into the shape of a science.

Principles of Business Writing, by T. H. Bailey Whipple. The Westinghouse Technical Night School Press, East Pittsburgh, Pa.

The importance of knowing how to write a good business letter or report has had frequent emphasis in books purporting to guide and inform correspondents, stenographers, and typists. Mr. Whipple has succeeded in presenting his professional experience at a sharp focus of useful suggestions. The reader is credited with a fundamental knowledge of grammar and rhetoric and on that assumed background Mr. Whipple addresses his consideration to more advanced essentials of business correspondence.

The book includes 185 pages, with the contents in five parts—introduction, principles of business letter writing, words and phrases often misused, report writing, and letter writing. Other contributors to the literature of the subject have appropriate recognition in the book—F. H. Norton, Alice Kretschmar, Edward J. Kilduff, and George McLane Wood.

Question and answers on business writing invite reference to the appendix. A list of books for supplementary reading is included in the book.

Manual of Information on City Planning and Zoning, by Theodora Kimball. Harvard University Press.

Aside from the well-edited annual proceedings of the National Conference on City Planning, information on this subject is hard to get. As a source-book for information and reference Miss Kimball's Manual is perhaps unique and it should prove valuable to students and practitioners in this field. The book furnishes information on city planning associations; city planning publicity campaigns; lantern slides and films; city planning training courses, etc. More than half of the book is given over to a list of selected references which cover the city planning field thoroughly.

The Causes of Industrial Unrest, by John A. Fitch. Harper & Brothers, New York.

A book worth the employer's reading, and written in sympathy with the worker's point of view. It discusses point by point the things that lead him to hate and to leave his job. Economic conditions, the struggle of union and employer, the question of Government's part by court orders and police, all these factors are described by a student of labor legislation.

All of us who are justly proud of the capacity of this country for mass production, would do well to read the chapter on "The Elimination of Craftsmanship," or the hell of monotony.

Lead goes out in every rainstorm



EVERY time you put on your raincoat and rubber overshoes you don some lead. When rain beats upon your shoulders and puddles of water lie in wait for your feet, lead helps to keep you dry.

In the first waterproof clothing, made about 1790, crude gum rubber alone was combined with the fabric. But under the summer heat the rubber melted. In cold weather it hardened and became as stiff as a board.

Curing the crude rubber

Attempts to give this soft, sticky gum toughness, elasticity, and resiliency finally succeeded in 1839, because of the persistency of Charles Goodyear. The raw rubber is heated and combined with sulphur. At the same time other materials are added to improve further the quality of the rubber. Among them are litharge, basic lead sulphate, and white-lead, all three obtained from the metal, lead.

Lead is used in rubber to obtain a uniform cure and great toughness. More than 19,000,000 pounds of lead are used annually by the rubber industry; yet this tremendous quantity is only a small percentage of the billion pounds of lead used in various industries in a year.

Lead in rubber fire hose helps to protect your life and property from fire. The modern fire-fighter wears lead in his rubber coat and boots and hard rubber helmet.

After a ride in an automobile, in whose pneumatic tires there is lead, you enter your home to find there, too, rubber articles containing lead. You walk on it in your rubber bath mat, wear it in a rubber apron, and use it in rubber jar rings and hot-water bottles. Lead is in hard and soft rubber electric insulation and in your hard rubber comb and pipe stem.

Lead's most general use

No matter to what extent lead is used by the rubber industry, its most nearly universal use

is as paint. On every hand you see houses covered with white-lead and metal structures protected from rust with red-lead.

Ask a professional painter what gives the greatest protection to surfaces such as wood. He will tell you pure white-lead mixed with pure linseed oil. He has probably been using it for years for exterior painting.

Property owners are today protecting their investments by more careful adherence to the watchword, "Save the surface and you save all." How do they do it? By covering the surface thoroughly with white-lead paint.

Save the surface and you save all—That's Lead.

Producers of lead products

Dutch Boy white-lead is the name of the pure white-lead made and sold by National Lead Company. On every keg of Dutch Boy white-lead is reproduced the picture of the Dutch Boy Painter shown below. This trade-mark guarantees a product of the highest quality.

Dutch Boy products also include red-lead, linseed oil, flatting oil, babbitt metals, and solder.

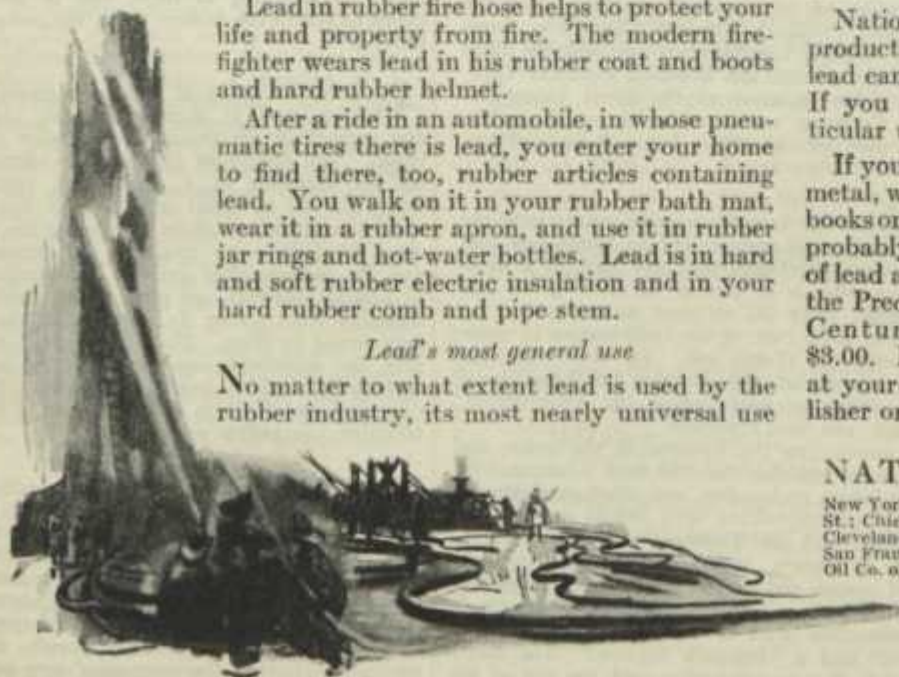
National Lead Company also makes lead products for practically every purpose to which lead can be put in art, industry and daily life. If you want information regarding any particular use of lead, write to us.

If you wish to read further about this wonder metal, we can tell you of a number of interesting books on the subject. The latest and probably the most complete story of lead and its many uses is "Lead, the Precious Metal," published by Century Co., New York. Price \$3.00. If you are unable to get it at your bookstore, write the publisher or order thru us.



NATIONAL LEAD COMPANY

New York, 111 Broadway; Boston, 181 State St.; Buffalo, 116 Oak St.; Chicago, 900 West 18th St.; Cincinnati, 600 Freeman Ave.; Cleveland, 600 West Superior Ave.; St. Louis, 722 Chestnut St.; San Francisco, 405 California St.; Pittsburgh, National Lead & Oil Co. of Pa., 516 Fourth Ave.; Philadelphia, John T. Lewis & Bros. Co., 437 Chestnut St.





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Some Recent Federal Trade Cases

CASES involving the marketing of gasoline and lubricating oil interested the commission. Three oil companies, three of their representatives at Tampa, Florida, and an association of retail dealers in gasoline, together with its officers and members at Tampa, are ordered to discontinue certain practices, which, the commission says, deprived the people of Tampa and vicinity of competition in the sale of gasoline by retail dealers, and caused the public to pay a higher price for gasoline than had been paid previous to the fixing of prices by the organizations and individuals cited.

The commission found, it says, that the retail dealers' association, supported by the three oil companies, undertook to organize all retail gasoline dealers of Tampa into an association for the purpose of having the dealers agree to sell gasoline on a four-cent-per-gallon margin of profit. Dealers who were not willing to sell gasoline at the price suggested were informed, asserts the commission, that unless the price so fixed was observed, the dealers would be unable to buy gasoline from any of the three oil companies involved in the case. The findings state that the three oil companies aided in the organization of the association by refusing to sell gasoline to retail dealers who did not conform to the four-cent margin or if not refusing to sell to such dealers, by rendering insufficient service.

A PROHIBITORY order issued by the commission requires that a business man of Cleveland, trading as the Republic Products Company, discontinue the use of the word "Paramount" in connection with the sale or offering for sale of lubricating oil in interstate commerce unless the oil is the product of the Klein Manufacturing Company, trading as the Great Lakes Refining Company. The order also requires that no representation or suggestion be made in connection with the sale or offering for sale of lubricating oil in interstate commerce, that the Republic Products Company and the Great Lakes Refining Company are one and the same company, or that the Republic Products Company is the successor of the Great Lakes Refining Company and is selling the products formerly sold by the Great Lakes Refining Company.

UNDER the commission's ban has come the practice of representing to purchasers and prospective purchasers that any part of a combination offer is in fact or in effect given free of charge, when the recipient must pay for the whole or some part of the combination in order to receive the alleged gift. An order requiring discontinuance of this practice has been issued to a company with offices in Philadelphia, Chicago, and San Francisco.

In announcing the issuance of the order, the commission explains that the firm is engaged in selling books, cyclopedias, and other publications, and is in competition with others engaged in the same line of business. The commission found, it reports, that the firm sold through special agents and salesmen a product called by it "Winston Cumulative Loose Leaf Cyclopedias," in connection with a "Revision" or "Annual Service" and a "Research Service." The findings state that in connection with the sale of its products the firm's agents used order blanks bearing amounts ranging from \$104 to \$154,

through which red ink lines had been drawn and underneath which the amount \$49 was printed as the price for which the combination was to be sold. The \$49 price was the regular price charged by the firm, the commission contends, and the order blanks were printed to give the impression that purchasers were getting the benefit of a reduction. In connection with this practice, the commission's order specifies that the firm must discontinue representing any price to be a real price for the purchase and sale of any of its publications or services other than what is in truth the real and customary consideration or price. A further finding of the commission was that the firm represented that the price of

\$49 was not only a fair value for the "Annual" and "Research" services, but that the purchasers in effect would obtain the ten volumes of the encyclopedia free of charge. The firm's acts, the commission holds, are misleading and have a tendency to deceive and induce the public to purchase the

firm's publications in reliance on the truth of its representations.

NINE brokers dealing in fruits and vegetables are cited in a complaint which alleges that, by agreement, they combined and cooperated to eliminate competition in the purchase of strawberries in the town of Chadbourne, N. C. The brokers acted as agents, says the complaint, and shipped strawberries to their principals in large distributing centers. Among the methods used by the brokers, according to the commission, were the choosing of one or two of their number to represent and buy for all of them, and to fix the price at which or at less than which the buyers should buy berries in the Chadbourne market. These prices, the complaint says, are substantially below those which would be effective in a free and open competitive market. Growers selling their berries in the Chadbourne market have no other convenient means of disposing of them, and so are compelled to sell to the brokers cited, the commission believes.

AN ASSOCIATION of wholesale grocers with headquarters at Brenham, Texas, and several individuals are charged with unfair competition. The complaint in this case alleges that on the adoption of a distributing company's policy to sell at equal prices to all buyers of equal quantities, regardless of whether the buyers were wholesalers or retailers, the organization and the persons cited entered into combination to hamper, obstruct and prevent the distributing company from selling its products in the territory served by them. The general effect of their acts, the complaint says, has been to suppress competition and to restrict the normal flow of commerce and freedom of competition in the distributing company's products.

WHEAT of a quality below specifications was shipped to foreign customers by an exporting company of New York and a subsidiary company of Philadelphia, asserts the commission. The companies cited, so the complaint says, shipped to foreign customers wheat containing quantities of chaff, straw, weed seeds, soil, sand, and other "foreign substances." According to the citation, the companies' acts have the capacity and tendency to injure and damage generally the reputation and business of persons

in the United States who are competing with the two companies in export trade, and to bring into disrepute in foreign countries competitors of the two companies.

CANDY wrappers should not misrepresent candy, suggests the commission in a prohibitory order issued to a candy company of Toledo. In its investigation of the case the commission found, it reports, that the company manufactured bars of candy coated with chocolate, a product which the company named "Chocolate Ice-Cream Bar." The wrapper, so the commission explains, contained an illustration of a child holding in its hand a picture of an ice-cream cone. The candy bar thus labeled did not contain ice-cream, according to the commission's investigation. On its finding it contends that the public was deceived as to the true ingredients of the company's product, and that the labeling was unfair to competitors who actually sold an ice-cream confection.

THE WORD "naphtha" must not be used in connection with the advertisement and sale of soap products that do not contain at least 1 per cent of naphtha, rules the commission in an order issued to a Cincinnati company. The company manufactured and sold soap products under trade names which included the word "naphtha," the commission says. None of the products mentioned in the complaint contained an ingredient that could be identified as naphtha, asserts the commission, but adds that in some instances kerosene in small and varying quantities was found.

TRADING under a name which includes the word "import," a business man of Camden has been asked to explain his description and labeling of one of his products "Imported Bavarian Old-Time Barley Malt Extract." The commission says that the word "import" in the business name misleads and deceives the purchasing public into the erroneous belief that the goods sold under that name are imported into the United States. The complaint alleges that the merchandise sold by the business man cited is bought from American manufacturers. Also the charge is made that the product described and labeled as "Imported Bavarian Old-Time Barley Malt Extract" is not manufactured in a foreign country, but is manufactured, bought by the business man and by him resold—all within the United States.

SHAPING, dressing and packing butter in undersize and short weight units is charged against a creamery company and three of the partners. The complaint asserts that the company and the three partners cited have knowingly placed in the hands of retailers an instrument enabling and encouraging them to commit a fraud upon the consuming public.

Butter is packed in units weighing respectively $3\frac{1}{2}$ ounces, 7 ounces, and 14 ounces in packages having the general appearance of those used by competitors, and in which there are packed units of butter weighing 4 ounces, 8 ounces, and 16 ounces; is one allegation of the commission, and also a charge is made that although there is ostensible compliance with the law by marking the exact weight of the contents on their cartons—that is, 14 ounces, ultimate purchasers of separate units do not customarily see the carton, and therefore are deceived into thinking that they are getting full 4 and 8 ounce units, but, says the commission, the units weigh only $3\frac{1}{2}$ ounces and 7 ounces, respectively.

NO OTHER concern may simulate in details of shape, style, plan or ornamentation, or general appearance of the fountain pens manufactured and sold by the Conklin Pen Manufacturing Company, is the implication of an order directed to two business men of Toledo. They assemble and sell fountain pens, says the commission, under the trade names of "Wm. Bolles Dollar Pen Company," "Skidmore Pen Company," and "Toledo Gold Filler Fountain Pen Com-

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Brown Life Chapin	Illinois Steel Co.	Rome Brass & Copper Co.
Buckeye Steel Castings Co.	Kroening Construction Co.	Rome Iron Mills
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Chevrolet Motor Co.	Lorain Steel Co.	South Side Malleable Castings Co.
Chicago, Burlington & Quincy Co.	Los Angeles Pressed Brick Co.	Spence, White & Prentiss
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For \$22,000 worth of merchandise sold with a single newspaper "form" letter as a total cost of \$22,000. Send 25¢ for a copy of *Postage Magazine*, and an actual copy of this letter will be sent gratis. If you sell you need *Postage*, which tells how to write Sales-Promoting Letters, Folders, Booklets, House Magazines. Subscription \$2 a year for 12 numbers check full of usable, concrete ideas. **POSTAGE—18 East 18th St.—New York**

pany." In its investigation of the case the commission found that the two Toledo merchants simulated the appearance of a pen sold by the Conklin Pen Manufacturing Company, a competing company. In advertising their product, the investigation disclosed, they used slogans such as "Gold Filler Pen," and "Toledo Gold Filler Fountain Pen," which, the commission says, simulated to some degree the slogans used by the Conklin company. The acts complained of, the commission found, had a tendency to mislead and deceive the purchasing public into the belief that the pens sold by the two men cited were identical with those sold by the Conklin Manufacturing Company.

UNFAIRLY obtaining the business of a competitor is the charge brought against a foundry and furnace company, and three of its officers, at Akron, Ohio. According to the citation, two of the officers were officers and active in the business affairs of a competing company. The two officers cited, so the complaint reads, by reason of their official positions obtained patterns and castings of a heater made by the competing company, and used them in the manufacture of a heater sold by the company cited. Further charges are that a list of customers of the competing company was obtained, and used in exploiting the product of the company cited; and that employees of the competing company were enticed and induced to leave their employment and to enter the service of the company cited. The acts noted in the complaint result in unfairly hampering and hindering the competing company and cause losses in its business, to the commission's way of thinking.

AN ORDER requiring the discontinuance of alleged deceptive and fraudulent methods in connection with the buying and selling of water and improvement bonds of states, counties, municipalities, and various political subdivisions, has been issued by the commission. The order is directed to a corporation of Denver, a corporation of Portland, Oregon, a corporation organized and doing business under the laws of Arizona, and two brothers, one living in Denver, and one living in Portland, Oregon. Probably the most flagrant instances of fraud and misrepresentation, says the commission, occurred in Nebraska. Other states in which the operations were condemned by the commission are Utah, Idaho, Oregon, and Montana.

Some of the methods used in serving the alleged fraudulent purposes of the corporation and the two brothers, as recorded by the commission, included:

The preparation of false histories or records of the acts and proceedings by which the issuance of the bonds were authorized; the alteration of the terms and conditions of the bonds so as to operate to their own advantage; the commission of forgeries in the histories, proceedings and signatures of the bond issues; and by adroit scheming securing the signatures of officials to the said histories and bonds without allowing said officials an opportunity to read the documents so signed; the withdrawal of genuine and the substitution of fraudulent documents in lieu thereof in the official records of the state;

Bribing and subsidizing officials in the employ of the state and the various corporate bodies;

The use of vague and ambiguous terms regarding accrued interest in contracts for the purchase of state, county, municipal and other political subdivision bonds, and the interpreting of said terms in favor of themselves, thereby defrauding the corporate bodies of the accrued interest on the bonds;

The submission of bogus bids in the names of fake concerns in competitive bidding, and the use of worthless checks drawn and certified by themselves and so prepared as to stimulate and counterfeit checks usually required to be deposited as a guarantee of good faith in connection with bond awards—such worthless checks being known in bond parlance as "Jesse" checks.

One man's gift to millions

—a material of a thousand uses



WESTON WATTMETER
—Molded Bakelite Case



BALDWIN HEADSET
—Molded of Bakelite



REMLER TUBE SOCKET
—Molded of Bakelite



EVEREADY FLASHLIGHT
—Bakelite Insulated



TERRI VANITY CASE
—Molded of Bakelite

ONLY a few years ago a new material was created in a Chemist's laboratory. It was Bakelite, known chemically as phenol resin.

Today, this remarkable product serves hundreds of manufacturers, in thousands of different ways, for millions of people. And wherever it is used, Bakelite has been the means of improving quality, giving greater utility or reducing costs.

Bakelite combines high dielectric and mechanical strength with heat resistance. It is not affected by oils, moisture or common solvents, nor will it deteriorate with age.

And there are still many new ways in which Bakelite—as a molding material, in sheets, rods, tubes, or in transparent form; as a varnish, cement, lacquer or enamel—can serve manufacturers.

Our Research Laboratories are at your disposal. Perhaps, in your product, there is a use for Bakelite.

Send for "The Story of Bakelite"

This interesting book by John Kimberly Mumford, has just been published. It is a fascinating and educational story about the discovery and development of Bakelite. We shall be pleased to send you a copy.

BAKELITE CORPORATION

247 Park Avenue, New York, N. Y.
Chicago Office: 636 West 22nd Street



Preformed Bakelite "biscuit"
placed in steam-heated mold.



Molded Bakelite product
completed in one operation



BOYCE MOTO-METER
—Molded Bakelite Cap



SAAL LOUD SPEAKER
—Molded Bakelite Horn



ELAXON HORN
—Bakelite Insulated



FOSS-SET BRUSH
—Set in Bakelite Cement



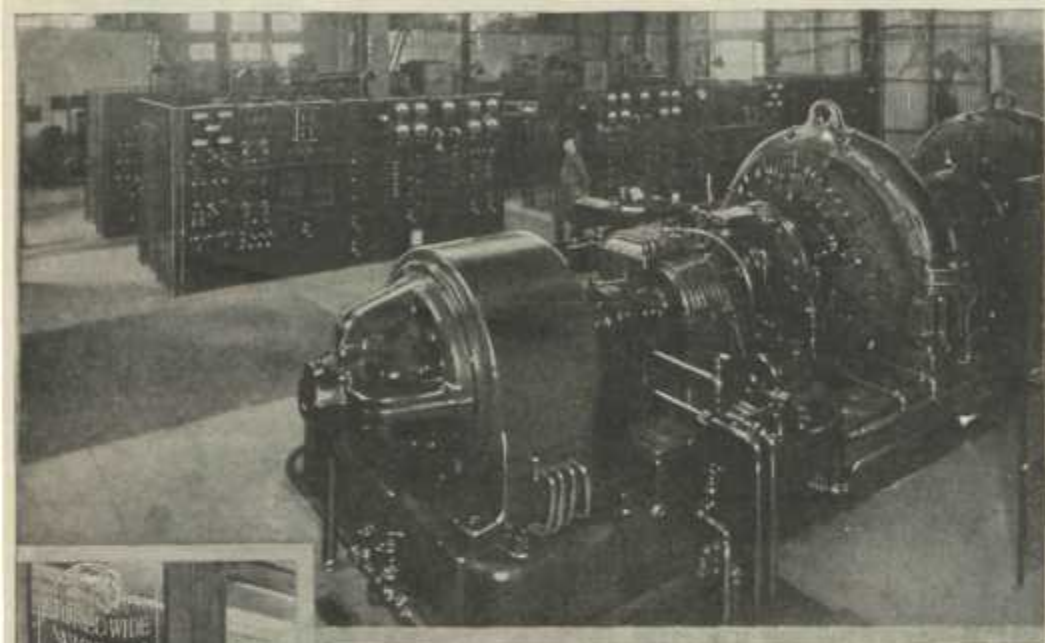
"BRAW LADDIE"
GOLF CLUB HEAD
—Bakelite Molded

BAKELITE

THE MATERIAL OF A THOUSAND USES

When writing to BAKELITE CORPORATION please mention the Nation's Business

RADIOGRAMS



A 200 Kilowatt Alexanderson Alternator at Radio Central, Rocky Pt., L. I. Power Panel in the Background.

The Energy That Spans Oceans

Where does the energy come from that sends each dot and dash of your Radiogram thousands of miles in a fraction of a second—speeds it from the RCA operating room in New York City to England, France, Germany, Italy, Poland or Norway.

Out at Radio Central, Rocky Point, Long Island, the huge 200 kilowatt Alexanderson alternators work twenty-four hours a day generating radio frequency currents that carry your message across the Atlantic.

That is one of the reasons why your message is assured prompt transmission. Direct circuits to six European countries insure high accuracy.

To any country—and for passengers on ships at sea—be sure to mark your messages

"Via RCA"

RADIO CORPORATION OF AMERICA

RCA OFFICES IN THE FOLLOWING CITIES
NEW YORK CITY

64 Broad Street.....	Broad 5100	6 West 19th Street.....	Watkins 7951
19 Spruce Street.....	Beekman 8230	1824 Broadway.....	Columbus 4311
126 Franklin Street.....	Franklin 2675	51 East 42nd Street.....	Murray Hill 4996
	264 Fifth Avenue, Madison Square 6780		
	SAN FRANCISCO, 28 Geary Street		
	WASHINGTON, D. C., 1130 Connecticut Avenue, Main 7400		
	HONOLULU, T. H., 923 Fort Street		
	BOSTON, 109 Congress Street.....	Congress 5055	
CHICAGO.....	10 So. La Salle Street	PHILADELPHIA.....	The Bourse
BOSTON.....	109 Congress Street	CLEVELAND.....	1599 St. Clair Ave.
NEW ORLEANS.....	Carondelet Building	SEATTLE.....	Maritime Building
BALTIMORE.....	Gay & Pratt Streets	PORT ARTHUR, Texas.....	Realty Building
NORFOLK, VA.....	220 Brewer Street	LOS ANGELES.....	309 Equitable Building

When writing to RADIO CORPORATION OF AMERICA please mention the Nation's Business

News of Organized Business

THE OFFICERS of almost two hundred civic, commercial, trade and business organizations of Indianapolis and other Indiana cities have received a letter from A. J. Allen, secretary of the Associated Employers of Indianapolis, urging them to "bring the national get-out-the-vote movement to the attention of their members and endeavor to have them collectively participate in the constructive effort to save America from the destructive effects of its voting apathy."

"This entire effort is strictly non-partisan and is designed solely to arouse the American electorate to its voting responsibility," says the letter. "The slogan this year is 'Get out the vote regardless of party.' Government is the biggest business enterprise in which any citizen can possibly have a voting interest and the 'stay-at-home' vote is a problem in government that is of first importance to the country at large."

Accompanying the employers' letter were red, white and blue stickers which read "Vote November 4 as you please, but vote." The stickers are intended to be pasted on letters, on the backs of correspondence envelopes, on the backs of pay envelopes or inserted in them, and on parcel post packages. They are to be used continuously until election day.

A four-page pamphlet, also enclosed with the letter, entitled "Stockholders Meeting of the U. S. A., November 4. Attend and Vote," contained statistical information on non-voters in the several states. The stickers and folders, so the letter says, may be obtained free in quantity lots from the National Industrial Council, 50 Church Street, New York City. Other information for use in connection with the effort to get out the "stay-at-home" vote is also obtainable from the National Get-Out-the-Vote Club, 719 Albee Building, New York City, and the National Association of Manufacturers, 50 Church Street, New York City.

More Information on Anthracite

THE PUBLIC should know more about anthracite, believes the Anthracite Operators Association. In expression of that belief the association will establish information bureaus in New York, Philadelphia, Boston and Washington. An educational exhibit will be shown in twenty cities, one week in each, beginning at Portland, Maine. Proper methods of heating houses will be explained to users of anthracite. Emphasis will be placed on the desirability of buckwheat coal for home use. Standard devices for the use of buckwheat coal are to be installed for demonstration at the permanent bureaus. The educational work of the operators will have the cooperation of dealers and appliance manufacturers.

Advertising for Retail Stores

"THE ONION is a plebeian vegetable; tear-compelling, self-assertive, and slightly vindictive; a fomenter of domestic strife and a bane upon polite conversation. It is to be tolerated, perhaps, but not sought after. But turn the magic light of advertising upon the onion and what happens? It becomes an appetizing, health-giving and blood-enriching gift of benign nature, more delicious than the ambrosia of Olympus; and more salubrious than the breezes from a forest of pines."

This is the opening statement of a booklet published by the Domestic Distribution Department of the National Chamber, entitled "Small Store Advertising."

Advertising as a fundamental selling force for large concerns has long had due recognition. Its importance to the small retail store is fully acknowledged now in this booklet. The Domestic Distribution Department has approached the subject with the idea of minimizing duplication of other studies of advertising, and of presenting the material in a way to make it easy for the in-

interested retailer to apply it to his business. This method is in contradistinction to the usual academic discussion and tabulations of experiments which are of practical interest only to professional advertising men. The booklet represents an attempt to foster the use of good advertising in its most applicable forms by small retail businesses and to make this advertising effective.

How much to spend for advertising is the first question considered. The figures for seven different retail lines, established by the Harvard Bureau of Business Research, are given, together with a suggested form for budgeting advertising expenses. The necessity for some analysis of the retailer's territory is mentioned, but owing to the complications of market analysis, it is not described; the retailer is referred to a pamphlet on the subject published previously by the department.

Choice of the various methods of advertising is taken up jointly with a consideration of the kind of customers the retailer has. Proper emphasis is placed upon the importance of choosing mediums from which the retailer may expect tangible returns. For the small store desirability of advertising by means of window displays, form letters and similar direct means is pointed out.

Frequency of advertising is discussed in connection with regularity and consistency. "Never let the public forget you," the booklet exhorts. "Never give your old-established customers a chance to forget you, your store, your goods." A discussion of advertising agents, copy writers and free lances—and their use—is included in the first part of the booklet.

The technique of advertising is treated comprehensively, so far as it applies to the small retailer. Copy writing, appeals, slogans, seasonal influences, and differences between imaginative and reasoning copy are illustrated by advertisements appearing in current magazines.

Layout, selection of appropriate type faces, borders, and illustrations and the use of color all have consideration. Window displays, as one of the best means of advertising available to the small retailer, are considered, but beyond enumeration of some fundamentals, there is no attempt to treat the subject exhaustively. The booklet says: "So many excellent books have been written on the art of window dressing that an attempt to present the subject adequately in a pamphlet of this size would be superfluous."

Cooperative advertising among retailers, the use of ideas advanced by trade journals, pressure sales, combination sales and direct advertising are discussed in the order named. Direct advertising has considerable space. The mailing list, the sales letters and the return card on coupon are discussed and examples are shown.

Throughout the booklet illustrations are used to enable the reader to visualize the principles and forms described. These add interest to the text, and should be of great help to retailers who appreciate the selling power of effective publicity, but who have not the practical knowledge to apply it to their stores.

Problems of a Community Dairy

THE COMMUNITY creamery established by the chamber at Electra, Texas, is perhaps typical of projects of its kind, and the revisions of plan required to assure successful operation should be significant to other chambers interested in enterprises of similar character.

The creamery was incorporated in 1922 with a capital stock of \$3,500. The shares in units of \$25 were bought by farmers and townsmen. The creamery is not cooperative, but its management is similar to that of cooperative creameries in the north central states. A majority of its board of directors are farmers, although most of the shares are held by local merchants and bankers.

Four mistakes were made in the organization and management of the creamery. The first was under-capitalization. The creamery was capitalized at \$3,500, which was absorbed by the purchase of machinery, leaving no operating capital. After six months the capital stock was increased to \$7,500. The secretary of the chamber believes that "no creamery should be

The Radio Page of The Christian Science Monitor

This daily feature of the Monitor came into being because of a definite demand from our readers for authentic, up-to-date news of developments in the field of Radio.

The Monitor's Radio Page is international in character. It gives the latest news of radio activities in all countries and is in the foreground with interesting circuits, always emphasizing the use of the best of parts.

Already the Radio Page has brought much favorable comment. It is ably edited, as is every department of this International Daily Newspaper, and is one of the most comprehensive and instructive daily radio pages published.

Monitor readers demand the best and are ready customers for the better type of manufactured receivers as well as unit apparatus. The advertising columns of the Monitor offer, therefore, an unusual opportunity to reach a responsive group.

Manufacturers of radio apparatus and retail dealers have an opportunity to reach a particularly interested and responsive audience by advertising on the Monitor's Radio Page.

See our exhibit at the Third Annual Chicago Radio Show, Coliseum, Chicago, November 18-23, 1924.

The Christian Science Monitor

An International Daily Newspaper

Back Bay Station, Boston, Mass.

BRANCH ADVERTISING OFFICES

NEW YORK OFFICE, 370 Madison Avenue
CLEVELAND OFFICE, 1658 Union Trust Building
CHICAGO OFFICE, 1458 McCormick Building
DETROIT OFFICE, 455 Book Building
LONDON OFFICE, 2, Adelphi Terrace, W. C. 2

KANSAS CITY OFFICE, 705 Commerce Building
SAN FRANCISCO OFFICE, 625 Market Street
LOS ANGELES OFFICE, 620 Van Nuys Building
SEATTLE OFFICE, 763 Empire Building



R. O. Terminal, Locust Point, Baltimore, Maryland

Photo by Fairchild Aerial Camera Corporation

Bond Values —seen and unseen

WELL chosen Railroad, Terminal and Equipment Bonds are secured by tangible values. They are further protected by the earnings of roads meeting the country's needs for expansion and development.

You can select desirable, high-grade railroad bonds from our Current List which will be sent upon request.



THE NATIONAL CITY COMPANY

National City Bank Building, New York

*You will find offices
in more than 50
leading cities in the
United States,
Canada and abroad.*

BONDS

SHORT TERM NOTES

ACCEPTANCES

Book by Julius H. Barnes

"The Genius of American Business" is the book's title. Sixteen chapters that take the dullness out of the cold, dry subject of *Economics*. Mr. Barnes, former president of the U. S. Chamber of Commerce, paints pictures in your mind of the infinite romance in American business. The book is blue cloth bound, gold stamped, pocket size, 150 pages, and comes to you post paid for \$1.00. Write your name and address in the margin below this advertisement, attach your check for \$1.00 and send to

The NATION'S BUSINESS
Washington

organized with less than \$10,000 capital stock—better \$12,000 or \$15,000."

The second mistake was made in paying too much for milk in order to win the cooperation of dairymen. When the creamery began operation it bought whole milk on the basis of 75 cents a pound for butter fat content. The wholesale price of butter at that time was about 48 cents a pound. "This wasteful practice was soon stopped," the secretary writes.

The use of ice refrigeration in a poorly constructed cool room was the third error of judgment. The directors plan to install a small refrigeration plant with a properly constructed cool room, obtaining the necessary money for this improvement through the sale of an additional \$2,000 worth of stock. The improvement would save "something like one-half of the initial cost during one year."

The fourth mistake was made in renting a building not adapted to the needs of the creamery, rather than constructing one of the necessary size and specifications.

In addition to efficient management—the first essential to the success of a community creamery—other factors outlined by the secretary of the chamber are: an annual production of 100,000 pounds of butter fat within a radius of 16 miles of the community; an adequate capitalization; a building constructed according to the specifications of someone with experience in creamery management; local storage facilities which will enable the creamery to hold its surplus production in the spring, when the supply of milk and cream is plentiful, for sale during the late summer, fall and winter months, when the price of raw butter fat and butter are high.

The chamber found the following sources of information useful in the establishment of the creamery: United States Department of Agriculture, 1922 Yearbook; Dairy Division, Bureau of Animal Industry, United States Department of Agriculture—Bulletins 1069, 1071 and the Special Bulletin on Cooperative Creameries; Bureau of Agricultural Economics, United States Department of Agriculture; Bulletin of Information on Creameries, published by the Minnesota Dairy and Food Department, St. Paul; Minnesota Cooperative Creameries Association, University and Raymond Avenues, St. Paul; Iowa Creamery Secretaries and Managers Association, 704 Iowa National Bank Building, Des Moines; Department of Dairying, Iowa State College, Ames; National Dairy Council, 910 Michigan Avenue, Chicago; Department of Dairying, Texas A. & M. College, College Station, Texas.

Oklahoma City Aids Agriculture

A PLAN for the cooperative marketing of garden truck, fruit, poultry and dairy products has been successfully established by the chamber at Oklahoma City. The plan comprehends the employment of a marketing expert and the operation of a marketing bureau under the control of the chamber. The bureau cooperates with farmers in the trade territory tributary to Oklahoma City.

The county agricultural agent, the state marketing commission, several growers and the chamber of commerce joined in organizing an association of fruit growers and truck gardeners within a radius of fifty miles. A contract was drawn to include a damage clause that provided for payment of \$250 on failure of the grower to conform to the terms of his agreement. Completion of the organization under the statutory provisions for cooperative marketing was made contingent on the obtaining of a minimum of one hundred growers, explains *Oklahoma*, published by the chamber. The required number of signatures has been obtained, and the organization of growers will be incorporated under the state law.

Application of the plan to the marketing of the berry crop of members of the association gave the first demonstration of its feasibility. Of the results and their significance, *Oklahoma* says:

All berries produced by members, who at this time controlled about 75 per cent of the

berry production in Oklahoma City's vicinity, were to be brought to a certain point where they would be graded and a price established. This price was tripled; a price for the wholesaler, a price for the retailer and a price to the consumer, each of these prices determined by the customary commercial margin required in the marketing of the products.

A number of the best retailers agreed to use the association berries to the exclusion of other berries and the best wholesalers stated that they would not import foreign berries while the local crop was being marketed. To make certain that no surplus berries should be accumulated to flood the market or to be wasted in event the market did not absorb them, a home canning outfit adequate to handle 100 crates of berries a day was established at association headquarters, in charge of the home demonstration agent for Oklahoma County, who agreed to secure from her canning clubs throughout the county the services of enough skilled canners to pack any surplus of berries that might be accumulated.

Upon the chamber of commerce bureau of marketing rested the obligation of handling the sales and the financial part of the transaction. Those farmers who desired to do so, drove in with their berries in the morning, unloaded them at the association headquarters and went back home to give the rest of the day to their farm work instead of spending their time upon the local market or driving about the streets attempting to sell their fruits.

...

The operation for this year's berry crop is something more than half over. So far it has worked out perfectly. The association price for the berries has been maintained and the entire crop which has been larger than the average, has been absorbed from day to day with practically no loss. The retailers who have cooperated with the association have had a definite basis upon which to handle this item of business and have not been disturbed at any time by the competition of the growers themselves.

...

The impetus to the completion of the association has been very great. Plans are already being made for handling the peach crop, the potato crop and the tomato crop for this year.

The plan of the operation includes for another year not merely the marketing of these products, but cooperation between the marketing bureau and the farmers in the planting of their crops.

"Ad" Campaign for Prompt Pay

THE MEMBERS of the credit bureau of the board of commerce at New Bedford, Massachusetts, hold monthly meetings for the discussion of credits by experts. The bureau is also conducting a "prompt-pay" campaign through advertisements in local papers. The advertisements ran through April, May and June, were suspended during July and August, and were continued in September. The campaign is financed by contributions from members of the bureau.

Autumn Warfare on Weevil

AS A PART of its 1924 cotton production campaign, the agricultural bureau of the Chamber of Commerce of the United States has recommended to its member organizations in the cotton belt that they use their influence in achieving the fall destruction of cotton stalks as a cheap and efficient measure of controlling the cotton boll weevil.

In a communication to secretaries of southern commercial organizations the bureau invites attention to the important results achieved through destruction of the weevil in the autumn. By the destruction of stalks and a general clean-up of fields and ditch banks to reduce the cover the weevil might find as protection during the winter months, Bexar County, Texas, increased

RISE AND FALL OF THE GOATEE



Long before Percival Pangburn came down from Parnassus to read from his own works, chin whiskers had gained historic significance.

In Egypt, when Memphis and Thebes were still minor league towns, goatees were worn, ostensibly as an indication of rank, but in reality because the barbers were slaves. The masters deemed it advisable to have no shaving done in the vicinity of the jugular vein.

So it has been up through the ages. Thick whiskers and thin whiskers, side whiskers and chin whiskers have been tolerated by poets, parachute jumpers, and devotees of other lofty pursuits, owing to their dread of the razor. Now that dread is gone, never to return.

COLGATE'S softens the beard at the base

This wonderful shaving cream puts an end to the need of swathing with hot towels and of rubbing the lather in with the fingers.

Even the toughest beard is softened almost instantly at the base, so that you can shave cleanly and comfortably, with or against the grain. Colgate's leaves the face soothed and velvety. There is nothing like it for insuring shaving comfort.

Let us send you a trial tube, enough for 12 shaves. Just fill out and mail the coupon.

COLGATE & CO.

Est. 1806

New York

Large tube
35c



COLGATE & CO.
Dept. 354
199 Fulton St., New York

Please send me the free trial tube of Colgate's Rapid-Shave Cream, for better, easier shaving.

Name _____

Address _____

State _____

"What a whale of a difference
just a few cents make!"



—all the difference
between just an ordinary cigarette
and—FATIMA, the most skillful
blend in cigarette history.

JUNIOR EXECUTIVE AVAILABLE

Graduate Pace Institute of Accountancy, also Alexander Hamilton Institute, fourteen years' office experience, desires position as junior executive with progressive company offering opportunity for advancement. First-class references. Box 60, Nation's Business, Washington.

HUMAN ENGINEERING

Railway Audit and Inspection
Company, Inc.

Fourth and Chestnut Streets
PHILADELPHIA

MAIN and COMPANY

Accountants and Auditors

PITTSBURGH HARRISBURG
NEW YORK PHILADELPHIA

Every Shipper Needs this Reference Book

FREE!



28 Pages—80 Illustrations

HERE is an invaluable guide for shippers. Not a catalog but a complete, pocket-size manual, containing all the information the shipper needs for proper and economical selection, packing, sealing and shipping of corrugated fibre boxes. Hundreds of pages of complicated packing regulations—boiled down into simple, easy-to-follow instructions.

This manual tells how to select the right type of box. Shows how to pack various products correctly and how to seal every style of corrugated fibre box. Complete. Convenient. Authoritative. And yours for the asking. Write today

THE HINDE & DAUCH PAPER CO.
304 West Water Street, Sandusky, Ohio

its cotton production 64 per cent more than the average for the preceding three years—39 per cent more than the average of the four adjoining counties. The bureau believes it will be much easier to carry on an aggressive warfare if the practice of stalk destruction is popularized now.

Coming Business Conventions

Date	Place	Organization
October 1	Chicago	American Incubator Manufacturers Association.
1-2	Atlantic City	National Chain Stores Grocers Association of the United States.
2-3	New York	American Construction Council.
3-6	Chicago	National Selected Morticians.
7	New York	Association of American Wood Pulp Importers.
6	Atlantic City	American Electric Railway Association.
6-11	Chicago	Federation of Mutual Fire Insurance Companies.
6	Chicago	National Association of Mutual Insurance Companies.
Wk. of 6	Chicago	National Paper Trade Association of the United States.
6-11	Swampscott	New England Awning and Tent Manufacturers Association, Inc.
6	Atlantic City	American Institute of Marine Underwriters.
7-12	Swampscott	National Tent and Awning Manufacturers Association.
8-9	Chicago	National Basket and Fruit Package Manufacturers Association.
8-10	Chicago	National Coffee Roasters Association.
11-16	Milwaukee	American Foundrymen's Association.
11		National Association of Automotive Mutual Insurance Companies.
13-17	Atlantic City	American Gas Association, Inc.
13-17	New Orleans	American Life Convention.
13-15	Toronto	Contracting Plasterers' International Association.
13-16	Cincinnati	National Association of Stationers, Office Outfitters and Manufacturers.
13-16	Richmond	Financial Advertisers Association.
14		National Association of Glass Manufacturers.
14	Boston	New England Railroad Club.
14		Western Cigar Box Manufacturers Association.
15		National Association of Marble Dealers.
15-17	Atlantic City	American Hardware Manufacturers Association.
15-16	Chicago	Fire Underwriters Association of the Northwest.
15-17	Cleveland	National Association of Ornamental Iron and Bronze Manufacturers.
15-18	Chicago	United Typothetae of America.
16-17	Chicago	American Association of Advertising Agencies.
16-18	Briarcliff Lodge	American Gear Manufacturers Association.
16-17	Chicago	Audit Bureau of Circulations.
16	Boston	Executive Association of Wholesale Grocers of New England.
16-17	Atlantic City	Greeting Card Association.
16		National Association of Steel Furniture Manufacturers.
16	Atlantic City	National Varnish Manufacturers Association.
16-18	Atlantic City	Refrigerating Machinery Manufacturers Association.
17-18	Atlantic City	Paint Manufacturers Association of the United States.
20-23	Washington	National Association of Commercial Organization Secretaries.
20-22	Atlantic City	National Paint, Oil and Varnish Association.
20-24	Kansas City	Poster Advertising Association, Inc.
20-24	Chicago	Railway Electrical Supply Manufacturers Association.
21-23	Kansas City	American Railway Bridge and Building Association.
21-23	Kansas City	Bridge and Building Supply Men's Association.
21-23	Atlantic City	National Retail Lumber Dealers Association.
21-23	New Orleans	Southern Logging Association.
21-24	Chicago	United States Independent Telephone Association.
22-24	Chicago	Casket Manufacturers Association of America.
22-23	Chicago	Central Supply Association.
22-24	Chicago	National Association of Farm Equipment Manufacturers.
22-25		Pacific Logging Congress.
25	Providence	New England Manufacturing Jewelers and Silversmiths Association.
26-31	Chicago	National Association of Ice Industries.
28	Boston	New England Milk Producers Association.
29-31	Pittsburgh	Direct Mail Advertising Association.
End of month	New York	American Manufacturers Export Association.



Fordson With Trailers Does Work of Heavy Trucks at Lower Cost

Smaller Investment—Lower Operating Cost—Bigger Profits

A substantial saving in operating cost, resulting in bigger profits from a smaller investment is the big advantage in using Fordson with trailer equipment in preference to expensive heavy Truck equipment.

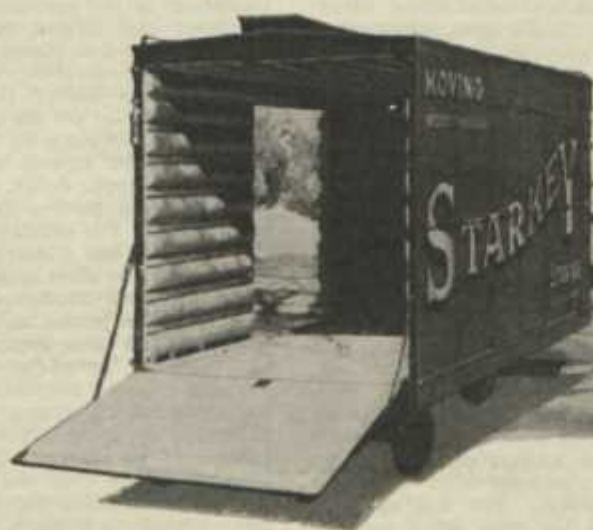
The Fordson gives you ample power for heaviest loads. Greater capacity through the use of trailers quickly pays for the cost of this equipment. When unloading, your motive power is not idle—it can be serving you on another haul. Loading and transporting is reduced to a point of strictest economy and greatest efficiency.

Another advantage is the fact that the

Fordson functions either as a stationary power plant or for motive purposes. This makes it an invaluable power unit for every day service on all kinds of industrial and hauling operations. For inter-factory haulage—road building—excavating, etc.—the Fordson can be depended on to save you time, labor and money. Unskilled labor is made more productive.

You will incur no obligation by permitting your nearest authorized Ford dealer to give you a practical Fordson demonstration. Take advantage of this opportunity to see how you can profit by using the Fordson in your business.

Fordson Tractor \$495 F. O. B. Detroit



Ford

CARS • TRUCKS • TRACTORS





Norristown's New Hotel

Norristown's Secret of Hotel Success

It started with one or two Norristown leaders who had vision. They foresaw the hotel needs of their city and immediately secured the opinions of experts as to whether or not their ideas were too ambitious for the town.

Their ideas were concurred in and an intensive financing program was outlined to consume one week's time. At the end of four days, however, the required sum was oversubscribed and Norristown (Pa.) gets her new hotel.

Perhaps YOUR city, too, needs additional hotel facilities or more modern accommodations. If so, ask us to place your name, or the names of other civic leaders, on our complimentary civic list "C-10" to receive each month a copy of THE HOTEL FINANCIALIST, a journal devoted to community hotel finance.

The HOCKENBURY SYSTEM, Inc.
 • Penn-Harris Trust Bldg.
 • HARRISBURG-PENNA.



Trade Paper Digest

Current Comment in the Business Press

WITH good news from the wheat lands, business prophets announce that the tide has turned toward prosperity, the corner of the depression has been turned, we are now on the up-curve, our optimism is confirmed by the event, etc. From a mass of trade journal opinion of this hurrah sort, we select the following example of sobriety, from *The Annalist*: "There is no substantial change for the better in the business outlook over the discernible future. In the middle west, higher farm prices have created a moderately active optimism among many of the bankers. But aside from that, and from a certain stimulus it may give to local trade, there is no prospect of more than a very slight seasonal increase of business and industrial activity. Unemployment is large and apparently increasing. Politics will delay decisions until after the election, and meanwhile many misleading hopes are based on the re-financing of Germany. Both political doubts and European phantasies stand in the way of the sweeping readjustment essential to our real prosperity."

The journal points out that as Germany must keep out our finished products in order to make room for her own manufacturing, just so surely she must find a market for her finished goods in competition with our own. "This competition will arise in foreign markets where we are already selling too little for our commercial welfare, and unless we create an utterly prohibitive tariff it will arise also inside the United States. The alternative will be her failure to meet her reparation payments, for without the rich market of the United States she cannot earn enough credits."

What to do? The journal continues: "There cannot be balanced and prosperous activity in our business and industry until this country has adjusted itself to the position it actually occupies with respect to the rest of the world. It cannot sell the full product of its industrial plants, either at home or abroad. Sooner or later, and the sooner the better, it must deflate its excess of plant and personnel, write off its losses and adjust itself to living with the rest of mankind. This does not mean 'free trade,' but freeing trade. Resistance will only make worse for ourselves the final outcome."

Bradstreet's admits that "improvement in sentiment still outstrips gains in actual buying," but claims that "the developments of the week are mainly favorable. These include prominently reports of good yields realized in spring wheat; larger than expected results from winter-wheat threshings; further gains in corn crop conditions, these most notable in the southwest; maintenance of good conditions in cotton in most, not all, areas; the breaking of the drought in Atlantic coast states, and a gradual but steady growth of buying for fall in the states west of the Mississippi from Texas north to the Dakotas where good yields of and prices for wheat have converted the more cheerful feeling previously noted into actual buying. In other areas, better feeling is more apparent than is better buying, although the shoe and leather industries of the east note some purchasing; wool is selling better at higher prices, and the iron and steel trade is doing slightly more than a while ago, although pig iron and scrap are firmer, while steel plates were and shapes are rather easier. A further slight gain in automobile operations is noted, but buying of textiles, especially cotton goods, has quieted somewhat after immediate needs have been satisfied. The building trade has been and is still the most active industry, with a slight decrease noted in July from June, but with a slight gain noted as compared with July a year ago."

The Commercial & Financial Chronicle quotes Roger Babson as saying, the second week in August, "a year ago business was fine and almost everyone was very bullish on general business while I was gloomy and pessimistic without a friend in the world. Today business is very poor in most lines in most sections, yet I am feeling better. This is because the readjustment of the past twelve months is now behind us instead of ahead of us. The further advanced the night, the nearer the dawn."

Commerce and Finance finds that "the only dark spots that remain are the cotton manufacturing industry and the shoe and leather business," and reports through Richard Spillane "Business confidence almost restored, Wall Street cheerful, stocks up...."

Projected Marketing Census A Boon to Retail Merchants

OF GREAT interest is a plan recently worked out for taking a census of distribution in this country. The scheme "contemplates a survey at intervals of one, two or five years, according to the generosity of Congress," says *Farm Implement News*, which "would show by states the capital invested in distribution, the number of employees, and probably such details as rates of turnover in different lines; salaries paid; seasons of minimum and maximum trade activity; range of stocks carried, etc." The journal calls attention to the necessity for prompt publishing of tabulations from such a survey if the figures are to be of value.

Silver Popularity Caused by Production, Speculation, et al.

SILVER returns to favor. *Manufacturers Record* comments on "the steady rise in silver," and gives the quotation of the metal on June 16, in London, as 34 7/8d, an advance of about 10 per cent in a few weeks. And the reason—"a thousand and one influences involving every factor from actual production to Eastern speculation." After the wild rise of the war period, and the stabilization that followed purchases by Great Britain under the Pittman Act, silver settled down to normal. "But," says the journal, "silver now seems to be on an independent upswing," and points out that "an advancement in the purchasing power of a form of money that is used by more than half of the world's present population is an event that is not without economic significance."

Recently, the Federal Government's Treasury Department rolled out the old familiar cartwheels upon the market-place, by the method of putting one silver dollar in each employe pay-envelope in place of a paper dollar. Whether silver's new popularity will survive this burdensome form of coinage, in this country, remains to be seen.

Engineering and Mining Journal-Press reports the formation by silver miners and smelters of the American Silver Producers' Association, whose purpose is "the promotion and protection of the interests of all those engaged in the production of silver in the United States and elsewhere." As the best means of improving the price of silver, the organizing silver men "selected the method of increasing consumption.... Educational work is to be planned. In their campaign to popularize silver they will probably have little difficulty in enlisting the support of silverware manufacturers, who have made this subject a life specialty and who will be glad to have the mutual financial and moral backing of the silver-mining and smelting industry. Research work

is another field for the newly formed association. . . .

That the demand is increasing of its own accord in Europe is reported on another page of the same magazine. "Confidence in paper money is so undermined . . . that unusual quantities of metallic currency will be required because the tendency is to hoard a very considerable portion of such . . . Germany and Poland already are coining silver extensively . . . As considerable stocks of silver are available for recoinage, there is some uncertainty as to the amount of new silver that will be required, but the quantity is certain to be large."

Lumber Standardization Here— Wood May Be Entering Wedge

STANDARDS have been set up in the lumber industry, thereby facilitating ordering and obviating errors and delays in construction. Persons may "announce themselves as buying or selling American standard lumber . . ." says *American Lumberman*. "If a buyer or seller does business under the American Lumber Standards, as provided in Section 80, he is under obligation to maintain standard sizes and standard grades and to submit disagreements about them to official association inspection."

The plan has been accepted by the majority of associations, reports *Engineering News-Record*, although, according to *Southern Lumberman*, the New York Lumber Trade Association were disagreed as to adoption. The journal thinks, however, that "undoubtedly, the committee will eventually approve the plan."

Simplified Practice Recommendation No. 16 of the United States Department of Commerce contains the 81 recommendations adopted at the conferences leading to lumber standardization, and is now ready.

American Automobile Market:

Some Notes on Foreign Lands

HAS THE United States automobile market reached a saturation point? If so, what factors make against our exporting to foreign countries?

While American cars are popular in Europe, they are of course forced to compete with the numerous small European makes which assure the purchaser against heavy taxation, registration taxes being computed on motor displacement. Furthermore, duties are, in some instances, entirely prohibitive.

In Norway there is an import tax on all automobiles; says *Automotive Industries*, "of 33 1-3 per cent."

The duties into Denmark are described as "excessively heavy."

England stands "third among our national passenger car markets in 1923 and seventh among truck markets" and "the low prices of American automobile products give them further preference."

Belgians also are reported as "liking American cars," especially those of "a low-priced American car whose assembling plant was established in 1921 in Antwerp." And "there has recently been a decided reaction against the heavy type of motorcycle produced in the United States, and the lighter machines with lower gasoline consumption are now being favored."

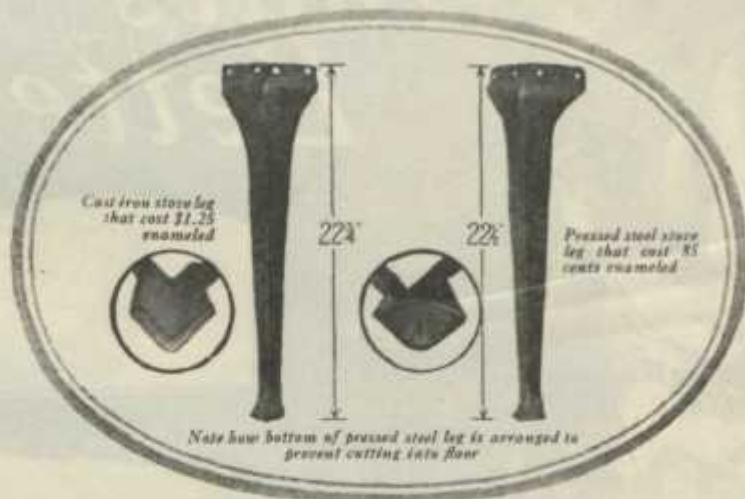
The Italian Ford Motor Co. sold "in the first five months" of this year, "140 per cent more cars, trucks and tractors, than in the same period last year, deliveries totaling 2934."

Credit has "become the dominant consideration in the Poland territory." Germans are said to offer "virtually open credit to reliable parties."

Vienna's strict import prohibitions stand in the way. If the proposed tariff goes through, there will be "an increase over the present customs duty of from \$200 to \$1,400 on automobiles and approximately \$100 on motorcycles." The chief difficulties are "lack of proper finances, and the length of time required for shipments from the United States to Austria."

American passenger cars in British South Africa

Cost Was Not the Great Factor Yet Pressed Steel Saved Money



To produce a white vitreous enamel finish of even color on cast parts which will match that on sheet steel parts is the impossible problem faced by every stove manufacturer who uses both *cast* and *sheet* parts in his product.

One large stove manufacturer solved this problem by replacing the cast parts with pressed steel. The stove legs which we "pressed from steel instead" for him take a white vitreous enamel finish that matches perfectly the finish of the sheet parts in his stove, and every leg is uniform in color throughout.

In addition to solving this enameling difficulty, the average cost of a pressed steel leg enameled was 85 cents as compared with \$1.25 for an enameled cast leg—a total cost saving of over 30%.

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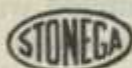


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"dominate the market, with sales made largely of low-priced cars."

Our showing in the India tire market is not so good. Great Britain handled 35 per cent of the trade, for the year ending March 31, 1924, France 31 per cent, the United States 13 per cent, and Germany 11 per cent. The first two countries have large concerns with branch offices in India. In China by contrast, during May, of a total import of "181 cars, 126 came from the United States, 35 from England, 3 from France and 17 from other countries. The competition from light European cars is increasing in Shanghai because of their low fuel consumption."

Do We Want Metric System?

Simpler But Too Much Trouble

THE TRADE press is divided on the question of installation of the metric system to replace our yardstick, in this country. The proposal is one of long standing, but has lately come up for further attention, and *The Iron Age* says that when Congress reconvenes legislation will undoubtedly be introduced to make it law. Secretary Hoover, leading standardization advocate, "is said," states the journal, "to be opposed to a change." It is "also notable that the Bureau of Standards, which in previous years was plainly in favor of adoption of the system, no longer is advocating it . . . It is also a significant fact that . . . the Chamber of Commerce of the United States as a body has refused to permit the taking of a referendum on the question by reason of lack of national interest and timeliness of the question." The magazine quotes an objection of Mr. Dubrul, of the National Machine Tool Builders' Association, as follows: ". . . this building was built in inches, every gas pipe was threaded in inches, and as long as this building stands, somebody has to have tools in inches to make repairs."

But Japan, on the other hand, seems ready to take a chance. *The Trans-Pacific* reports adoption of the metric system from July 1, on which day "the Tokyo prefectural government and municipality will distribute 10,000 propaganda posters throughout the city to encourage a proper understanding of the metric system." In addition, they have established "a metric system intelligence office for the benefit of the general public." Americans can now, by watchful waiting, see whether the metric mazes are worse than the mysteries of the income tax.

If Chicago Can, Can't We?

They Are Building All Winter

SECRETARY HOOVER, believing that construction is the "balance wheel of American industry," some time ago appointed a committee on seasonal operation in construction industries. The report of this committee forms the basis of the Secretary's special bulletin now issued which advocates lengthening the building season to include the winter months. "He reiterates," says *Railway Review*, "the committee's finding that custom rather than bad weather is responsible for building trades workers in most American cities working less than three-quarters of the year . . . Secretary Hoover declares activity in construction bears a close relation to general industrial conditions and that irregularity in the ebb and flow in demand for construction seasonally to a large degree affects economic stability."

As confirmation of Mr. Hoover's belief, "Chicago is taking the lead," according to *Paint, Oil and Chemical Review*, "in a new movement to extend the building season so that it may practically last the whole year through so far as the construction of large city buildings is concerned. This means an increase in the painting season . . . Methods recently devised make it possible to construct reinforced concrete buildings with little or no danger incident to freezing. The hardening process is not a drying out, as commonly supposed, but a chemical reaction between the cement and water. Low heat or proper protection from the elements is necessary. A tempera-

ture above freezing must be maintained long enough to prevent freezing of the water in the concrete until the chemical reaction has taken place. Chicago contractors are making wide use of tarpaulins on the sides of new construction work and salamanders under the form work in winter construction. Steam jets also prove effective in moderate temperatures. By heating the sand, pebbles and water before mixing and protecting the poured concrete with tarpaulins, sufficient heat is retained to complete the hardening of the concrete before it has a chance to freeze."

German Wage a Sixth of Ours: Autos Cost Three Times More

IN AN analysis of the German automobile market, Dr. F. E. Junge in *Transatlantic Trade* claims that though the invasion of Germany by the Ford automobile "is being fiercely contested by German manufacturers" the great mass of German consumers "are anxiously awaiting" it. That the German low-priced-car purchaser is especially justified in anticipating benefit from the advent of the Ford is held by the journal to be shown by analysis of German purchasing power—i.e. their wage level—as compared with that of the United States. Taking 1923 census figures, the article states that taking the average of each trade by itself, "the wage level of American labor . . . ranges from \$5 to \$12 a day"; compared with that of Germany, this gives a "ratio of wages paid by German and American automobile manufacturers," respectively, of "one to six" while prices of relative commodities, on the other hand, reverse the peak, showing a ratio of "three to one." In other words, the German workingman receives one sixth of the wages of the American workingman, and the German consumer has to pay three times more for a similar car than the American consumer."

The journal states that though there are multitudes of pigmy cars in Germany, they cost more than our Ford and Overland.

New Alien Law's Good Points: Unites Family, Rejects Unfit

UNDER the new immigration law in force, "the wife and minor children of an American citizen may now be admitted without being included in the limited quotas allotted to the various countries . . ." says *Engineering and Mining Journal-Press*. This is certainly an improvement, and further, "some selection of the most desired immigrants will be made by our foreign consuls, and they will not be allowed to sail for the United States without consular certificates." And last but not least, "an alien . . . may . . . visit his homeland . . . without having any trouble about readmission. . . ."

Southern Lumberman welcomes the law on other grounds, namely, as a protection against "the melting pot theory" which "has turned out to be unsound," and points with enthusiasm to the exclusion of the "peoples of the Orient" and those of "a great part of Europe. The welcome sign is out only for the Nordic races."

It Saves More, Costs More, Runs Underground:—Power

SO MUCH is written and talked about centralized power generation that the views advanced by the *Engineering News-Record* on the Northeastern Superpower Report may well be studied: "Power is being made a political issue. There is a form of political philosophy which holds that power can be generated by falling water and distributed to the home and factory for practically nothing—certainly for less than when steam is used as the generating force." The reasons against the "practically nothing" theory, and the advocacy of huge plant-at-mine generating centers, are (1) "high cost of transmission," (2) "the limit on the location of mouth-of-mine plants imposed by the great volume of condensing water such plants need," and (3), "the fact that the cost of fuel in the region to which plant-at-mine power can be transmitted



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economically is so low that local steam plants can successfully compete against the larger plant." Although the study admits a possible "saving of 30,000,000 tons of coal annually."

Mr. Ford's magazine, *The Dearborn Independent*, recognizes that "the water now pouring down mountain sides represents sufficient power to turn nearly every wheel of industry, light and heat every American home, operate every locomotive and drive ocean steamers," but finds a sinister undercurrent running through this power control agitation: "... the United States people are in great danger of seeing their great water power facilities become a great foreign-controlled monopoly." The journal prints two charts of "interlocking directorates"—designed to show what bids for the Muscle Shoals property really derive from the General Electric Company in the last analysis, and that this company is centered in London—and closes with the statement that "a study of the connections of all the opponents of the American offer will quickly show foreign entanglements of a very significant order."

Cost of Living Decreasing, Still Above Pre-War Level

INTERESTING figures on the cost of living in 19 leading cities of the United States are reprinted by *American Grocer* from the tabulations of the Bureau of Labor Statistics of the U. S. Department of Labor. They show that while there has been approximately 50 per cent to 100 per cent increase in the cost of living since 1914, nevertheless prices are dropping and a decline toward pre-war level is registered from June, 1920, of from 13 to 24 per cent. We print below the figures as given in the journal:

CHANGES IN COST OF LIVING IN 19 CITIES FROM
DECEMBER, 1914, JUNE, 1920, JUNE, 1923,
AND MARCH, 1924, TO JUNE, 1924

City	Per cent of increase from		Per cent of decrease from	
	December, 1914	June, 1920	June, 1923	March, 1924
	to	to	to	to
	June, 1924	June, 1924	June, 1924	June, 1924
Baltimore	71.9	19.8	0.1	x
Boston	63.2	22.5	.2	0.9
Buffalo	73.9	21.5	.1	.7
Chicago	72.6	19.6	1.8	.3
Cleveland	75.9	20.2	.7	.8
Detroit	82.4	22.7	.4	.3
Houston	65.0	22.2	1.3	1.6
Jacksonville ...	67.3	22.7	.2	1.4
Los Angeles...	75.1	13.2	x	1.3
Mobile	58.0	23.7	.4	.9
New York.....	72.3	21.3	.1	.1
Norfolk	68.4	24.2	1.6	1.5
Philadelphia ...	71.5	19.7	.3	.2
Portland, Me...	62.4	21.8	.6	1.0
Portland, Oreg.	52.8	23.8	1.2	1.0
San Francisco..	57.3	19.7	.2	.4
Savannah	52.7	27.1	1.9	.9
Seattle	66.7	20.8	.2	.2
Washington ...	59.2	20.9	1.1	.4

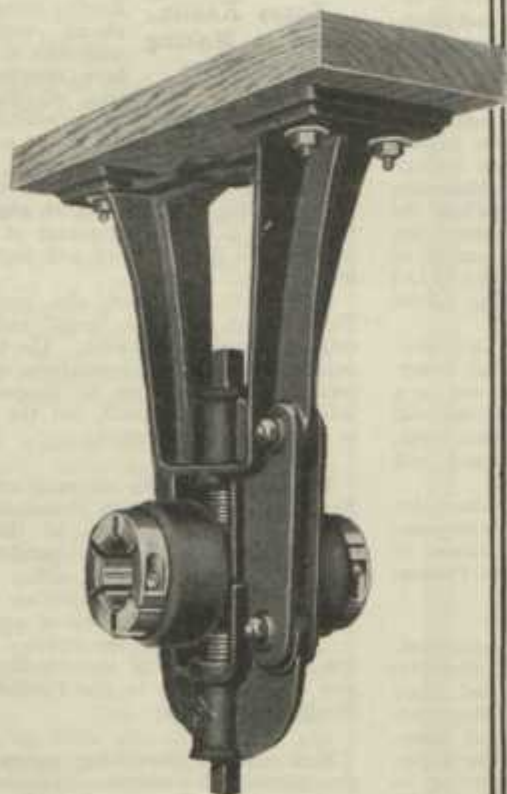
Largest Commercial Air Force To Patrol Ontario's Forests

THE GOVERNMENT of the Province of Ontario, Canada, has purchased thirteen seaplanes and installed them to watch over her forests. "The decision was taken," say *The Manchester Guardian Commercial*, "as the result of experimental work. . . . It has been demonstrated that by the use of aircraft on daily patrol, fires can be detected in their incipient stages and men and appliances rushed out to deal with the outbreak." Under ordinary conditions, weeks might elapse before a forest fire could be detected and controlled.

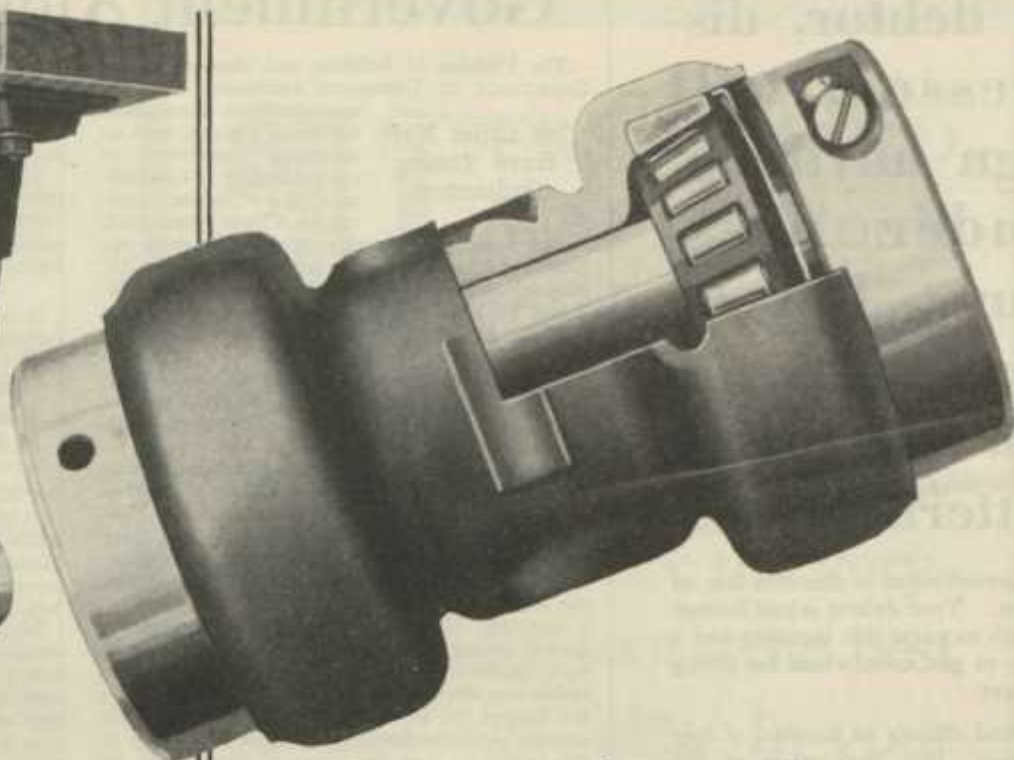
At the same time, these aircraft will make a "survey of the forest wealth of the province . . . in order to determine the amount of timber still available, and the amount of reforestation necessary. . . ."



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The Dodge-Timken trade-mark could only be logically applied to a product thoroughly tested and fully guaranteed as to its ability to satisfactorily serve industry in the capacity for which it is intended.

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Collections through the United of Louisville removes this *personal feeling* from the transaction because our relationship with your debtor is OFFICIAL and HELPFUL. Our field men are business experts whose counsel is welcomed by distressed debtors.

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Government Aids to Business

The Division of Building and Housing of the Department of Commerce announces that 261 municipalities throughout the United States, with an aggregate population of approximately 24,000,000, now have zoning ordinances. New Jersey leads in the number of zoned municipalities, with 66; New York has 41; California has 33; Illinois, 25; Massachusetts, 24; Ohio, 16; Wisconsin, 13; Indiana, 5; Michigan and Missouri, 4 each; Iowa and Rhode Island, 3 each; Florida, Minnesota, Oklahoma, Pennsylvania, Virginia and Washington, 2 each; and Arkansas, Colorado, Connecticut, Georgia, Maryland, Nebraska, North Carolina, North Dakota, South Carolina, Tennessee, Utah, and the District of Columbia, 1 each.

Thirteen of the states that have enacted zoning legislation since January 1, 1923, have used all or a considerable part of "A Standard State Zoning Enabling Act," prepared by the Advisory Committee on Zoning of the Department of Commerce to serve as a model for zoning legislation, the announcement says.

Secretary Hoover has characterized properly drawn zoning ordinances as "reasonable, neighborly agreements as to the use of land." The ordinances divide a city into districts in which are limited the use to which land and structures may be put; the height and number of stories of the buildings; and the areas of the lots to be occupied by the buildings. The professed object of the ordinances, explains the Department of Commerce, is "to regulate the use of private real estate for the purpose of promoting health, safety, morals and the general welfare of the entire community."

A complete list of zoned municipalities is obtainable from the Division of Building and Housing, Department of Commerce, Washington, D. C.

Exposure tests on screen wire cloth are to be made by the Bureau of Standards at the request of the American Society for Testing Materials.

Exposure to Measure Life of Wire Screen

The tests will include the exposure of standard No. 16 mesh screen—made of copper, commercial bronze, low brass, aluminum bronze, silicon bronze, and Ambrac metal.

The specimens are to be exposed at four locations—an inland location, an industrial center, on the seacoast in a temperate climate, and on a tropical seacoast. The cloth of each material will be exposed in painted frames of three types, 12 by 12 inch wood, 30 by 36 inch wood, and 30 by 36 inch metal.

The question of selecting suitable places for the tests is to be considered with the cooperation of interested manufacturers, the Bureau of Mines, Bureau of Lighthouses, and the Panama Canal officials.

The use of open-type electrical equipment, which fails to safeguard against the transmission of sparks and flame to gaseous and dusty atmospheres in coal mines, is a menace to the American miner, according to investigations made by the Department of the Interior.

Records of the Bureau of Mines covering twenty-six coal mine disasters and fires traceable to unsafe electrical apparatus show the loss of 500 human lives in addition to great damage to property. An open-type electric coal drill used in a gaseous mine in West Virginia was the probable cause of the death of twenty-seven miners, the bureau asserts. A coal-cutting machine used in a gaseous mine in Pennsylvania was probably the cause of the death of thirty-six men, and an unapproved, unsafe type of flame safety lamp used in a gaseous and dusty

mine in Utah was the alleged cause of the death of 171 men, the bureau says. All three disasters happened since the first of the year, and might have been avoided with proper equipment, the bureau believes.

Detailed information on the hazards of electric sparks and arcs in coal mines is given in Serial 2626. Copies are obtainable from the Department of the Interior, Bureau of Mines, Washington, D. C.

A new experimental iron blast furnace, which includes all the best features determined by observation and performance of other furnaces constructed by engineers of the Department of the Interior, has been completed and "blown-in" at the Minneapolis experiment station of the Bureau of Mines.

Experimental Blast Furnace at Minneapolis

The new experimental furnace is larger than the one constructed by the bureau at Minneapolis last year—the first successful experimental blast furnace in the history of metallurgy, so the bureau says.

Metallurgical studies made possible by the construction of the new blast furnace are expected to reveal important information on the production of spiegel-iron from manganiferous iron ores, which cannot be melted under practices now used. The United States has enormous reserves of manganiferous ores, says the bureau, and the problem of their successful smelting is one of great importance to the iron industry.

Tests of whiteware bodies, including bars, discs and 5-inch plates with varying content of ball clay and in which the English china clay was replaced with increasing quantities of Texas kaolin, have convinced the Bureau of Standards that

Texas Kaolin Used in Making Whiteware

Texas kaolin could be used satisfactorily in whiteware bodies. But because of the relative coarseness of the grains and the high refractoriness, the bureau explains, the kaolin would require more grinding than the English clays, as well as the use of a higher percentage of ball clay, to produce the desired dried and burned structure in the body.

Refractory brick were also made, using the Texas kaolin, with the "grog" and the "bond" entirely composed of kaolin. The brick so made required burning at temperatures equal to those used in the production of diaspore and silica brick, the bureau reports, but the brick seemed to be of very good quality.

The schedule of the air mail service between New York City and San Francisco, including a map of the route, has been published by the Post Office Department.

Schedule of Air Mail and Map of Route

The postage zones and the points of connection with the railway mail service are shown. Copies of the schedule are obtainable on application to the Postmaster General, Washington, D. C.

Well-prepared advertising matter and attractive samples offer effective means of stimulating trade in foreign countries, but unless shipments of samples and advertising matter and novelties are properly handled they retard rather than promote

How to Make Advertising Pay Abroad

trade, according to a trade bulletin prepared by Henry Chalmers and Roberta Wakefield of the Division of Foreign Tariffs, Department of Commerce. The bulletin outlines in detail the various methods available and the costs of shipping samples and advertising matter to Latin America and the West Indies.

With the assistance of American representa-

tives in all parts of the world, the customs requirements and procedures, postal regulations, and special peculiarities of each foreign market have been studied in detail. Definitions of samples and advertising matter, methods of shipment, handicaps of parcel post, duties, prepayment of duties, marking and documentation applicable to all countries are discussed.

The bulletin may be obtained free on application to the Division of Foreign Tariffs, Department of Commerce, Washington, D. C., or from any district or cooperative office of the Bureau of Foreign and Domestic Commerce. Similar reports are available for all countries except those in the Near and the Far East.

A fact-finding survey of the economic value of reinforcement in concrete pavements is to be

Further Study of Pavements of Concrete

made for the Advisory Board on Highway Research of the National Research Council by C. A. Hogentogler of the United States Bureau of Public

Roads. The survey is to include study of the soils, traffic and climatic conditions throughout the United States.

A circular on "Inspection of Portland Cement" has been issued by the Bureau of Standards.

Procedure for Inspection of Portland Cement

The circular is based on the bureau's experience in connection with government purchases of cement.

It is not intended, the bureau explains, that this circular shall be so comprehensive as to give assistance in all cases of inspection, but the circular does outline certain procedures of inspection that have been demonstrated as the most effective in avoiding complications and in holding the confidence and respect of all parties to the inspection.

Copies of the circular are obtainable free on application to the bureau.

A series of reports on retail store problems is to be issued by the domestic commerce division

Retailers to Get Help, Says Julius Klein

of the United States Bureau of Foreign and Domestic Commerce, announces Dr. Julius Klein, director of the bureau.

"Budgetary Control of Retail Stores" is the title of the first bulletin, now in preparation for publication. The information to be presented in the bulletin was collected and edited under the supervision of Lawrence A. Hansen, formerly assistant secretary of the Retail Trade Board of Boston, and managing director of the Massachusetts Retail Merchants Association.

Other studies, reported near completion, consider "Community Advertising," "Retail Store Location," and "Cancellations and Returns of Merchandise."

A study of the size and character of grains of non-metallic mineral fillers has been completed by the Department


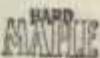
Mineral Fillers Important in Many Industries

of the Interior at the Southern Experiment Station of the Bureau of Mines.

The chief mineral fillers are kaolin, whiting, chalk, ground limestone and marble, silica, ocher, mica, talc, barite, slate flour, graphite, and diatomaceous earth. They are important in the manufacture of wall paper, prepared roofings, rubber, paint, linoleum, oil-cloth, foundry facing, plastic cements, artificial stone, polishes and scouring compounds, matches, dressing and dusting powders, window shade cloth, and phonographic records. Most fillers are used essentially as inert substances to occupy space, fill voids, or impart color.

Details of methods of determining the average particle size and proportions of grains of different sizes are given in Technical Paper 296. Copies are obtainable from the Department of the Interior, Bureau of Mines, Washington, D. C.

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MAPLE don't
thank it enough

because they scarcely realize the extent and variety of its daily service to everyone. Under foot—the best dance-floors. . In your hand—when at billiards. Beneath the cleaver—when the butcher trims your steak. Always . These 3 are easy to guess. Do you know the 153 other special utilities for which this amazing hardwood is the world's standard?

The New Hard Maple Book is a revelation. Authentic and worth filing. Comes on request. Write

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IN THE WORK-A-DAY LIFE OF THE NATION

TO awaken industry, to stimulate commerce, to co-operate helpfully with substantial business men, to become a constructive force in the city and the nation—these are the purposes for which The Bank of America was founded 112 years ago.

And for 112 years The Bank of America has lived up to these principles with ever increasing effectiveness and strength.

This bank offers its services to the substantial business men of America.



ESTABLISHED 1812

44 Wall Street, New York

Trust Department Organized 1888



Give the CRESCENT KIT to friends, customers, employees

This Christmas the Crescent Kit answers the universal query of executives—"What can I give to customers, employees, or personal friends? What is there that hasn't been 'done to death'?"

The Crescent Kit is packed for gift purposes in an attractive holly-

decorated box. The tools themselves are finely finished, highly polished, and recognized as the best of their kind. As a gift, it is novel, lasting and convenient for car, radio or general home use.

Ask about it at hardware or accessory stores—or write to us direct.

CRESCENT TOOL COMPANY

227 Harrison Street

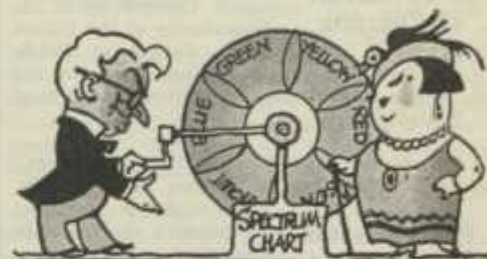
Jamestown, N. Y.

Originators of the Crescent Wrench

Chips From the Editor's Work Bench

SOME women still insist on wearing clothes, but there is no reason why this clinging to an old-fashioned custom should mean unbecoming colors for customers of clinging clothes. Just by way of teaching Boston women the importance of colors the Wm. Filene's Sons Company prepared a color chart. By means of the chart the customer's complexion is first determined, and with that determination as a basis, the clothing experts at Filene's demonstrate to the customer the colors she should or should not wear.

So great was the interest in the color readings that the company issued a "colorscope" which included a small blank chart similar to



the large chart, a set of similar colors, a booklet briefly describing the three dimensions of color, and a method of choosing colors by means of the chart.

Publication of the "colorscope" is a significant step in the education of the public to the importance of color. But if women ever develop an active color complex isn't it likely to affect their choice of husbands as well as clothes? A man's chroma may be more fascinating than his chromo.

A NEW travel luxury is available to women who have occasion to make a daylight trip from Chicago to St. Louis. So announces the dependable Illinois Central in introducing a library-lounge car for the exclusive use of women travelers. "This charming car," to quote the company's official announcer, "is as comfortably and tastefully furnished as a luxurious sun parlor—not at all like conventional railroad furniture. Here women enjoy full club privileges." And that's about all a mere man will ever know of the car's inards.

Well, let the women loll at their luxurious ease. The men can coagulate, so to say, in their own smoke, for "adjoining the women's lounge is a finely appointed club section for men." There! Doesn't the dash of italics bespeak a precious privilege!—as if the company had said, "See, you may sit right next the queen" (or "queens" as the number may be). But the company does well to work for the comfort of women passengers. The good-will of women is an asset that keeps going concerns going.

THAT early report of rottenness in the state of Denmark was garbled, perhaps, in getting around the world. Rattiness seems to have been the impression intended. Up to the year 1898 the rats of Denmark had things pretty much their own way, living the life of Riley—to draw an innocuous parallel of luxurious living. But the 25th of November, 1898, was a dark day for the rats. On that day up rose Emil Zuschlag and told Copenhagen landlords that "the only good rat is a dead rat."

A society was formed for the extermination of rats, and bills were passed by the legisla-

ture to regulate and systematize the work of extermination. Since the beginning of the campaign millions of rats have been killed in the urban and rural districts of the country. Every rat bears a price on its head—so many rats killed, so many kroner paid to the killer—the premiums are set down in the statutes. Rat killing in Denmark is big business.

The ways and means of extermination are discussed in *Kampen mod Rotterne*—which just goes to show that the rat is a rotter in any language.

STORE and shop regulations have enforced a regimen of courtesy on the lower strata of business organizations, but there is still room for improvement at the top—among men who are designated to receive salesmen and other ambassadors of business.

The application of common courtesy to business dealings is a promising development in a noticeable trend toward the conservation of time and temper—"the voice with the smile" is familiar to every ear, and customers of some stores make purchases in the assurance that "the customer is always right." The conviction is becoming established that courtesy pays—that good manners are good business.

But with all the encouraging progress made by business in the direction of courtesy, there is still unpleasant executive inclination to ignore the value of time lost by salesmen and other business callers who are affected in waiting upon a capricious convenience. Salesmanship is a highly specialized business. The modern salesman has something useful to say as well as to sell. He is not a time-waster—the day of the itinerant door-knocker has passed—and it is not right that his time should be wasted. What if Garcia had refused to see that man with the message?

To flout a trained and accredited salesman is to flout all business. To hold up unobtainable appointment as the price of admittance to office privacy is a poor cloak for good faith. Plain rudeness will not be less plain for any high and mighty title on an office door. Indifference or cold welcome never have made good-will for man or firm.

TO GIVE the world a continuous flow of power is a mighty important assignment, and it may be that "utilization of the internal heat of the earth as a source of power is worth trying as an international scientific enterprise." So believes E. W. Rice, Jr., honorary chairman of the board of directors of the General Electric Company. Twenty years ago Sir Charles Parsons suggested boring to a depth of ten or twelve miles to utilize the



heat of the earth. That is "a big idea," says Mr. Rice, "worthy of a nation's enthusiastic support . . . a suitable subject for cooperative work between friendly nations."

The scientific considerations of the scheme probably are too deep for the lay mind, but no one will be awed by the cooperative feature—cooperative buying, cooperative selling, cooperative this and that have made "cooperation" a friend of the family. And why not

Fir

with the Long-Bell
trade-mark

The trademark
"Long Bell" will be found
on the end of all the pieces.



FIR lumber and timbers meet varied home and industrial building needs—a wood of first importance in general construction.

With the recent opening of the new Long-Bell manufacturing plants at Longview, Washington, fir lumber and timbers have been added to the list of Long-Bell trade-marked lumber products.

For years, and still, the largest manufacturer of Southern Pine, The Long-Bell Lumber Company, is putting behind this new product the experience of nearly fifty years as lumbermen.

Fir lumber and timbers bearing the trade-mark, "Long-Bell," are safeguarded in manufacture to meet that important requirement so long a standard in Long-Bell production—*maximum building value*.

Satisfied users of Long-Bell trade-marked lumber products in the past will find the same uniform dependability in Long-Bell trade-marked fir products.

Fir Lumber and Timbers; Southern Pine Lumber and Timbers;
Creosoted Lumber, Timbers, Posts, Poles, Ties, Guard-
Rails, Piling; Southern Hardwood Lumber and
Timbers; California White Pine Lumber;
Sash and Doors; Oak Flooring

Ask your lumberman for Long-Bell trade-marked lumber products.

THE LONG-BELL LUMBER COMPANY
R. A. LONG BLDG. Lumbermen Since 1875 KANSAS CITY, MO.

Long-Bell

Trade Marked L U M B E R

KNOW THE LUMBER YOU BUY

When writing to THE LONG-BELL LUMBER COMPANY please mention the Nation's Business

Skinner Bros.

Baetz Patent HEATING SYSTEM

WHEN WINTER COMES YOUR HEATING TROUBLES MULTIPLY

THE mighty blasts of winter continually sweep through the factories and industrial plants, without warning, and severely penalize the heating equipment that is not built to resist such pressure.

Invariably the greatest difficulties arise in heating equipment that is not scientifically built for the purpose in which it is used. Engineers and superintendents know very well that it is a physical impossibility to attempt to keep up production when a condition of this kind exists.

The solution is a simple one that can be used without delay



Skinner Bros Patented Direct Fired Heater—D-F. Type—where steam is not available.

Skinner Heaters are individual compact units, they heat and ventilate and can be adapted to practically any type of air conditioning service; constructed in the floor type and the inverted type for overhead suspension. They are effective because of their simple, scientific construction. No outside pipes or ducts are used for air distribution. Fan operated by any power available. Use live or exhaust steam at high or low pressure. They are portable and can be moved from one place to another. Completely assembled before shipment. Easy to install, most economical to operate and the maintenance cost is exceptionally low.

Many hundreds of leading plants, of every type, in the United States and Canada, are users of Skinner Systems and they know what it means to heat best and cost less.

Our Engineers Are at Your Service

Our trained staff of experts will advise, without obligation, with Executives, Engineers, Superintendents, Managers and Mill Men concerning heating and ventilating systems for buildings of every size and type. Satisfaction in every detail is the result of our work.

Among the Prominent Concerns Who Use Skinner Systems Are:

Westinghouse Electric & Mfg. Co., American Stove Co., Roxana Petroleum Corporation, Brown Shoe Co., Morris & Co., Krey Packing Co., International Shoe Co., General Electric Co., Ford Motor Co., Fairfield Paper Co., Maxwell Motors Corp., National Enameling and Stamping Works, Standard Steel Car Co., Certain-teed Products Corp., Commonwealth Steel Co., American Brake Co., Crocker-Burbank Co., Troy Laundry & Machine Co., New York & Pennsylvania Co.

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Skinner Bros Baetz Patent Heater Steam Coil type S-C. uses live or exhaust steam.

cooperative boring? If Mr. Rice—or any one else—can get all the international bores 10 or 12 miles underground, he will have performed a service for the rest of mankind far beyond any surface utilization of the internal heat of the earth.

THE AMOUNT of work done by a common house fly in crawling up a window pane for one inch if put in a receiving tube—as energy coming from space—would serve to actuate a radio receiver continuously for twenty-five years.

That's the appraisal of Dr. L. R. Whitney, director of the research laboratory of the General Electric Company.

Precisely.

And the amount of work done in trying to keep flies from crawling up window panes



for one inch when put in any handy container—as energy coming from space—would serve to actuate all the wheels of industry continuously until the next election.

That's the appraisal of a lay mind.

But every one knows that flies have long indulged in uncontrolled broadcasting. Why not a slogan to catch the swatter vote?—"Dead flies tell no radio tales."

EVERY person or group of persons with goods or services to sell is interested in turning public opinion to profitable account in making good-will for the business in which the individual or firm has invested capital. A legend has been nourished on a curse of "the public be damned," but no business man of this day would flout public opinion, for it is the purchasing public that pays the dividends. So it is that business organizations have come to know the importance of establishing friendly contacts with the vast mass of personalities lumped in those plastic words "the public."

Time and money in impressive amounts are now spent by the small concern and the giant industrial corporation to invite attention to their products. Such expenditures, when they add informative lustre to trade names, prosper the advertiser and give impetus to the effective demand for the things in which he deals. The whole problem of the public relations of a business comes down to taking the public into the confidence of the men directing the business—and the public wants to be told what's what as much as who's who. The manner and the style of the telling have progressed from the ingenious sensationalism of the old-time press agent to the subtle appeal of the modern "counsel on public relations," as the title goes.

Representative of the modern manner of cultivating good-will is a booklet published by the Standard Oil Company of New York—*Civilization Awheel*. The text makes clear the selected fact that modern civilization is civilization awheel. Illustrations in interesting variety of subject and color give suitable supplement to the text—but the name of the company is used only when it seems to give desirable point to the story. A man may be convincing and forceful in speaking or writing without a multiplicity of I's.—R. C. W.

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Here is a binder, made by Molloy especially for preserving back issues of *The Nation's Business*.

It's very attractive with black leather cloth cover embossed in gold, and highly practical—the neatest, quickest, easiest way of putting your hand on a particular issue of *The Nation's Business*. Most reasonably priced, too, at \$2.50.

The NATION'S BUSINESS WASHINGTON

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Blue Prints That Talk in Dollars and Cents

Steel WindoWall blue prints talk in dollars and cents. A small change in a window layout, if made in time, may save hundreds of dollars later. For example—there are more than 79 different ways to fill a window opening with Fenestra units 12 lights wide and 5 lights high. Four of these are shown at the right.

Proper window designing depends on the type of building,

the work to be performed in it, the location of machinery, number of employees and a dozen other things. That's why Fenestra engineers and salesmen like to get in touch with building operations in the blue print stage. That's why these men are given full authority to handle details, drawings, and layouts; follow shipments and take charge of erection.

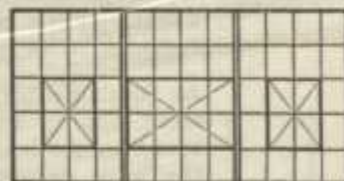
The Fenestra office near you is a complete working unit offering you a service that begins with the blue prints and follows through to the completion of the job.

DETROIT STEEL PRODUCTS COMPANY, 11-2244 E. Grand Boulevard, DETROIT
For Canada: Canadian Metal Window & Steel Products, Ltd., 160 River St., Toronto
Factories: Detroit, Toronto and Oakland



Layout No. 1

Two 6-light wide units with one mullion. 120 sq. ft. of light; 26% ventilation. Standard types, though approaching the maximum limit in area. Cost about 50% that of layout No. 4.



Layout No. 2

Three 4-light wide units with two mullions. 120 sq. ft. of light; 26% ventilation. Stock and standard types suitable for average industrial building. Cost about 57% of layout No. 4.



Layout No. 3

Two 3-light wide units and one 6-light wide unit with two mullions; 120 sq. ft. of light; 30% ventilation. High central ventilator especially located to take off heated air. Cost about 63% of layout No. 4.



Layout No. 4

Four 3-light wide units with three mullions; 120 sq. ft. of light; 80% ventilation. Especially desirable for hot buildings, round houses or furnace rooms. Special types. Cost about double layout No. 1.

Fenestra

The Original Steel WindoWall

This Tells
You It's
Fenestra

Sell and Grow

Progressive Business is a train of departments pulled by a twentieth century selling engine. Production, generally, is limited only by the capacity to sell. *To sell is to grow*—in size, in profits, in power to serve.

Growth is the evidence of the healthy turnover of working assets. It is accompanied by decrease in unit costs—selling and production. Larger profits can be taken, or selling prices reduced, to increase sales.

As fundamental to Growth, modern management applies scientific Market Analysis and sound methods of Cost Accounting. One gives the sales department absolute knowledge in place of impressions; points the way to efficient selling plans and successful selling action. The other furnishes the management facts and figures from every department—the timely, dependable guides to safe and steady progress.

It has been the pleasure of the Ernst & Ernst organization to cooperate with firms, nationwide, in establishing the simplest and most economical methods of Market Analysis—eliminating waste fields in selling; and sound methods of Cost Accounting—furnishing the power to control inventories.

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WHENEVER I talk, as I occasionally do, before a noonday luncheon club of business men, I wonder if any important movement for business or social betterment can be started in a luncheon club. The point is that big achievements are rarely undertaken by men who have just been well fed, but more likely by hungry men.

If I'm wrong about this I wish some historian would correct me. Of course they mustn't be too hungry, for then they might lack the energy to be up and doing; but men who are to launch valuable new ideas must have incentive, and hunger has long been a useful prod. I would expect more to be accomplished by a noonday club of men who can't afford to buy any lunch than by an organization whose members have just had a three-course meal and who, presumably, must feel more like taking a nap than instituting new ideas.

Aside from the fact that most business men seem to eat too much at noon and are too fat about the waistline, the very fact of membership in a noonday luncheon club is of itself an indication or symbol that one has arrived. It is almost like belonging to a golf club. There are bound to be more members who have reached a point of leisure and comparative complacency than who are still struggling and hoping to arrive. Hence I say that while a luncheon club usually means delightful association with agreeable companions and indubitably inspires much good fellowship, we may as well recognize that the main result will be pleasure rather than profit. And I am by no means certain that this isn't as it should be.

"I LOST many thousands of dollars last year" a rich man told me, "in consequence of having an account with a broker. When the broker first proposed that I keep an account the idea made me feel so important that I immediately acted upon the suggestion. Having opened the account, I felt as if I ought to use it and the consequence was that I frequently bought or sold stocks when I should have let them alone. I wonder if many a man hasn't gone broke because he thought it smart to have an account with a good broker."

IN DETROIT a year or so ago a study was made of intelligence of members of the police force. By means of the Army Alpha Intelligence examination, an immediate memory test, a personal history record, and a self-analysis scheme, they reached a seemingly fair estimate of each policeman's mental capacity. The surprise was that police lieutenants scored on the average noticeably lower than the patrolmen who work under them; lieutenants showed also a lower aver-

Reprints of Articles

appearing in this magazine may be ordered from THE NATION'S BUSINESS, Mills Building, Washington.

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age of schooling. Another discovery was that the percentage of men with superior intelligence decreases with years of service. The explanation given at the time of the tests was that while many smart young men become patrolmen, they are likely to transfer into more profitable and more difficult jobs. Those who stick until they become officers are likely to be those of less intelligence who lacked initiative to go into more promising lines of work. Wouldn't this same explanation apply to a few business institutions where the men at the top seem to have less sense than their employees? In places where the hope of reward is small even at the top, the smartest employees leave and the executive jobs finally go to the mediocre.

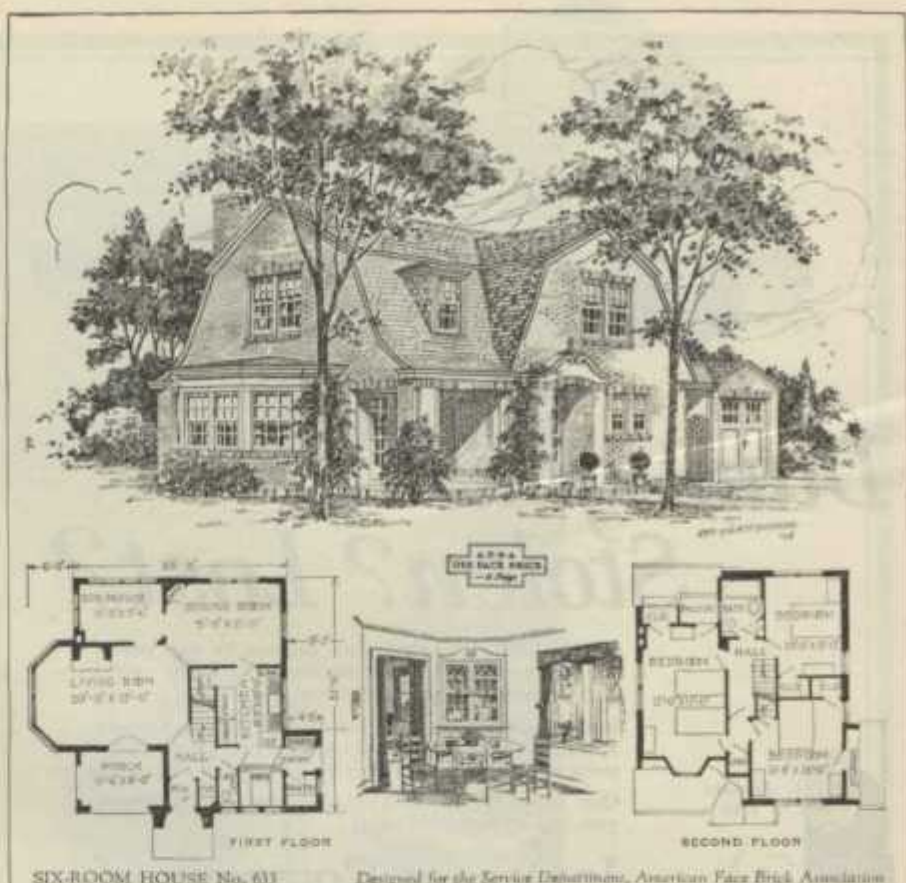
MANY business men are handicapped by a keen disrelish for being told things. Most people are like that. We are willing to learn something from an intimate friend, from a recognized authority, or a newspaper, but how we do hate to have a person whom we regard as an inferior come up and give us real information. We're glad to know it, but hate to learn it from him. Tell the average man a bit of delightful scandal that he is secretly pleased to learn, and he is almost certain to say that he already knew a little about it, or had long suspected it.

I TALKED recently with a sales manager who has employed scores of young men to travel through the country selling household articles to people in small towns and in the country. This man has hit on a number of original ways for selecting and training the raw material of which his salesmen are made. He looks first of all at the corners of an applicant's eyes to note if there are little wrinkles there, little crow's feet, made by frequent smiling. A man of mature years, this employer declares, who lacks smile wrinkles, probably has too pessimistic an outlook on life to make people glad to see him coming.

HAVING hired a man, this manager seeks to impress on him at once the three G's of salesmanship, Guts, Glue, and Glee—the disposition to tackle a thing, to stick at it and to derive enjoyment out of the job.

HE TELLS his men to remember that no mother ever resents anything plausibly complimentary said about her children. If she has no children, and is alone much of the time, she is sure to be devoted to her dog. The woman who does her own cooking never fails to appreciate comment about how well her kitchen stove is polished. On the other hand, the average woman of the right sort will resent having a salesman, or any stranger, compliment her on her clothes or personal appearance. Even though she strives to dress attractively, she thinks it is too forward and presumptuous for a stranger to speak of anything so personal.

IN SELLING through the country, men must deal largely with women, for the farmers are usually at work. This means that one must go to the kitchen door, for the kitchen is the country housewife's business establishment. If there's a knock at the front door, the woman has to leave something on the stove that may burn, or hastily dry her hands, and hurry through the house. She is annoyed over having to leave her cooking, or the children lest something go amiss



This attractive Dutch Colonial House is one of the 104 beautiful houses in our "Face Brick Bungalow and Small House Plans." Many home-builders in all parts of the country have written us that this is the finest collection of house plans they have ever seen.

Face Brick for Economy

THE superior merits of Face Brick as to durability, fire-safety, and beauty over other building materials are so clearly recognized that many home-builders jump to the conclusion that the cost of a Face Brick house must be beyond their means.

Yet it is a fact—surprising as it may seem—that Face Brick is, in the long run, the most economical material and the best insurance for the future value of your home-building investment.

The basic facts about home-building are fully discussed in "The Story of Brick," an attractive booklet with beautiful illustrations of modern homes and packed with information of value to every prospective home-builder. Sent free on request.

"Face Brick Bungalow and Small House Plans" are issued in four booklets, showing 3 to 4-room houses, 5-room houses, 6-room houses and 7 to 8-room houses, in all 104, each reversible with a different exterior design. These designs are unusual and distinctive, combined with convenient interiors and economical construction. The entire set for one dollar. Any one of the booklets, 25 cents.

We have the complete working drawings, specifications, and masonry quantity estimates at nominal prices.

"The Home of Beauty" shows fifty two-story houses selected from 350 designs submitted by architects in a nationwide competition. Sent for 50 cents. We also distribute complete working drawings, specifications, and quantity estimates for these houses at nominal prices.

"The Home Fires," a most attractive fireplace booklet, with many designs, gives full directions for fireplace construction. Sent for 25 cents.

Address, American Face Brick Association, 1730 Peoples Life Building, Chicago, Illinois.



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THREE things that may happen to *any* parcel post package. Three reasons why *every* parcel post package should be insured.

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A facsimile copy of the Declaration of Independence has been issued by the John Hancock Mutual Life Insurance Company.

This reproduction is a composite reduced facsimile, one-quarter size, taken from a facsimile reproduction of the original Declaration of Independence made by W. I. Stone in 1823, under the direction of John Quincy Adams, then Secretary of State. The original engraved Declaration is in the custody of the Librarian of Congress at Washington. The John Hancock Company will send this copy of the Declaration free for framing.

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The MAGNIWATE is an art object scientifically made. It magnifies, holds papers in place and radiates cheer. Its powers of magnification entitles it to microscopic classification. The upper convex lens is in focus at rest without moving. A dime assumes the size of a half dollar.

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in her absence, and when she finds that the caller has something to sell, she is instantly prejudiced against him.

OPTIMISM, this sales manager finds, is a big point. No one likes to buy from a man who says that his business isn't good. It makes them feel as if they are foolish victims to buy when nobody else is. This executive tells his salesmen always to declare that business is fine—not only to say it but *mean* it. Of course, it always *is* fine, compared with how bad it *might be*.

I ASKED what is the greatest asset of a salesman dealing with plain average folk. It is, my friend said, the ability to get into the frame of mind of liking everybody. We all meet people every day who may not be the kind we would pick for boon companions, but it is possible to assume that they have their good points and say to oneself: "I like them. I like *everybody*." The man who can bring himself sincerely to like everybody will sell more goods than one who is unable to arrive at quite that frame of mind. Because the one who likes the most people will have the most people *liking* him—and liking to deal with him.

THE MAN who simply possesses wealth plays little part in shaping our financial or industrial destinies. It is the man who can *command* money, not the man who merely *has* money, who is the big factor. The man who simply *has* money usually has the biggest part of it tied up in assets which are relatively of a non-liquid character, and thus he has little choice in the management of affairs. As one modern thinker says: "Mere possession of money without ability does little more good than the possession of a pair of boxing gloves by a man who cannot use them."

IF A GREAT oil company should make so much money that the income tax became large and puzzling, why wouldn't it be a dandy scheme to buy up corner lots and start gasoline filling stations in locations where they would *lose* money? This loss would be checked against the income tax. But meanwhile the increase in the value of the real estate would help to build up the company's permanent assets. For all I know, some of the big oil companies may be doing this.

AVERAGE people evidently aren't any too colossal in their reasoning powers. Nearly all movie theaters have in front of their doors a sign which says, "Now Playing." They used to say merely "Today," but half the people who looked at the sign thought it meant only daytime and not evening.

THESE efficiency men startle me at times. It seems that you ought to give your phone number in different ways, according to circumstances. When you go up to the girl in charge of the switchboard in a hotel lobby, you should *not* say Schuyler 1621 but 1621 Schuyler. That makes it easier for the girl to write on her pad or ticket the number first and the name of the branch line afterward. This, in theory at least, greatly reduces the number of mistakes. If the girl wrote Schuyler 1621 instead of 1621 Schuyler, she might forget the number while making whatever abbreviation she uses for Schuyler. On the other hand, when giving a number to the operator at central it is advantageous to give the name of the branch first. Then she is able to plug into the right line before you have finished giving your number.

A corner of the Directors' Room, Aetna Life Insurance Company.

Courtesy Aetna Life Insurance Company, Hartford, Connecticut.



For the Want of a "Yes" the Sale was Lost

How important to you is the final approval on corporation purchases. It is only a small thing. A half-hour conference, then a "yes" or a "no" and it's all over. Yet weeks of expensive selling effort may be pointed to that conference and the expense justified or lost in that few minutes. When the final Ok is the only thing standing between your salesman and the order—isn't it exactly as important as all the rest of the selling put together?

Many advertisers believe it is. And, in addition to other advertising, in addition to personal selling, in addition to direct mail, they see to it that *The Nation's Business* is at work constantly for them in its special field,

carrying their sales arguments behind doors shut to the ordinary approach and spreading those sales arguments intensively and powerfully before the men whose "yes" they must have to close the business.

Why delay? Now—in advance of next month's meetings—send your advertising announcements to these men who have the final say. Give your salesmen the support of a magazine campaign aimed directly at this final authority group. Make your showing in *The Nation's Business* so strong that there can be no possible misunderstanding at the last minute when the all-important final approval must be obtained.

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WASHINGTON



MORE THAN 160,000 CIRCULATION

MEMBER A. B. C.



When Press-time is less than 10 Minutes Away

The make-up man at McGraw-Hill Publishing Co. picked up the telegram, glanced at the clock and leaned toward the P-A-X telephone. With two quick turns of its dial he secured a direct connection with the press room foreman. "Correction on the Burns Boiler ad on page 85 of 'Power'. Add over the logo, 'Write for new Catalogue and Prices'."

"I got it," said the foreman, and he snapped down the receiver and ran his finger along the press schedule. Turning back to the P-A-X phone he "dialled" the composing room and repeated the correction.

Less than a minute had elapsed since the make-up man first read the telegram. A vital minute when a magazine is going to press.

The P-A-X saves 18 seconds on every call because it gives instant, accurate and automatic connections. There is no operator to delay or to give the wrong number.

Nearly 2,000 users, in every field of business, find the P-A-X a vital necessity and one that actually pays for itself in a short time by saving operators' salaries. For 24 hours a day it handles all their inter-communication calls with that dispatch and precision that speeds up routine and clears the way for bigger business.

Besides Interior Telephony, the Automatic Electric Services of the P-A-X include and co-ordinate Code Call, Conference Wire, Executives' Priority Service, etc.

The P-A-X is similar to the Automatic Telephone equipment being so widely adopted for city service. It augments and completes but neither supplants nor connects with local or long distance telephone service.

Automatic Electric Company

Originators of the P-A-X. For more than 30 years the engineers, designers and manufacturers of the Automatic Telephone in use the world over. Home Office and Factory, Chicago, Ill. Branch Offices: NEW YORK, 21 East Fortieth St.; CLEVELAND, Cuyahoga Bldg. Representatives in all principal cities. In Canada—Address: Northern Electric Co., Ltd., 121 Shearwater St., Montreal, P. Q. Abroad—Address: International Automatic Telephone Co., Norfolk House, Norfolk Street, Strand, London, W. C. 2, England. In Australia—Address: Automatic Telephones, Ltd., Mendes Chambers, Castlereagh St., Sydney, Australia.

P-A-X
TRADE MARK
PRIVATE AUTOMATIC EXCHANGE





This shows the huge plant of Driver-Harris Company which has found that good lighting *pays*.

Asking for our free lighting service seems to pay

SOME of the largest manufacturers have expressed their appreciation of the practical advice of our Lighting Service Department.

Cluett, Peabody & Company, Victor Talking Machine Company, The Shredded Wheat Company, Statler Hotels, Monroe Calculating Machine Company—their good words have already appeared in this magazine. Now comes the letter shown above—from the Driver-Harris Company, makers of Nichrome and other alloys.

We use such names because they are internationally famous. But the complete list

of manufacturers who have increased production and profits, lessened breakage and waste and cut down labor turnover by the proper use of light reads like a trade directory.

Has your lighting system been surveyed lately? We frequently find that the mere rearrangement of present equipment can result in good lighting. We shall be glad to "measure" your lighting and submit scientific recommendations—without charge.

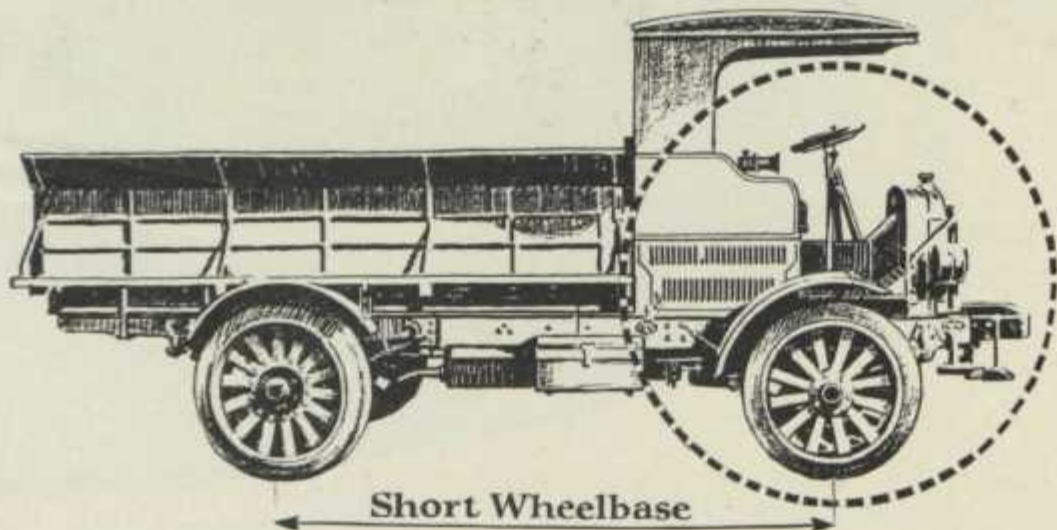
Write to the Edison Lamp Works of General Electric Company, Harrison, N. J. Our help is yours for the asking. And asking for our free lighting service does pay.

EDISON

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and – it is different

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The Autocar Company, Ardmore, Pa.

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